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THE INDEPENDENT



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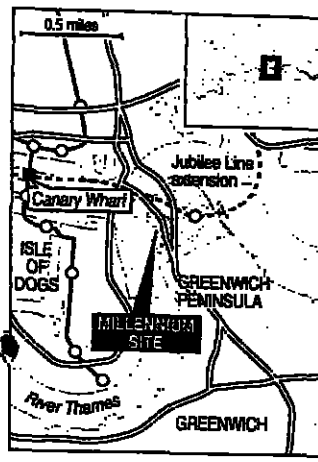
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reviews 'Kids'

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Ambitious £400m plan for national exhibition may founder for lack of sponsorship

Business shuns Millennium show



CHRIS BLACKHURST
Westminster Correspondent

Plans for an ambitious £400m exhibition at Greenwich to celebrate the millennium have run into trouble because private companies are not prepared to put up finance to match public lottery money.

At least two likely major corporate backers have told the *Independents* they are not interested in taking up proposals from the organisers, the Millennium Commission, to bankroll the exhibition.

Their reluctance to invest is a serious blow to the commission, which was hoping the ex-

hibition would be a massive advert for British achievement. It also highlights the weaknesses in the Government's insistence on private-sector support. Companies are reluctant to come forward unless they are guaranteed a proper return.

Sir Peter Levene, the Prime Minister's efficiency adviser and the businessman who spearheaded the turnaround in the fortunes of Canary Wharf, will report to the commission later today on the commercial viability of the project and his search for large private-sector sponsors. If that commitment is not forthcoming, the Government has said it will

not sanction public funding for Greenwich. Around 20 million people are expected to visit the exhibition, which will be based on an old gas works site and has been billed as the biggest millennium event in Europe.

In the absence of heavy-weight private-sector support, officials are preparing several contingencies. These include seeking donations from several companies rather than one headline sponsor. Another option being explored by Sir Peter is for a smaller, regionally-based celebration.

This last proposal appeals to at least one large company. A British Telecom spokeswoman

said yesterday it had ruled out being a major backer of Greenwich because the south-east London site did not fit with its image as a countryside operator. BT had been approached but, said the spokeswoman, "would not want to be a main sponsor".

Another possible business supporter, Richard Branson, has also given Greenwich the thumbs down. The Virgin tycoon said that two months ago he received an approach seeking between £40m and £50m but has since given up on the idea.

Companies are also reluctant to commit themselves because the proposals they have re-

ceived are not firm enough, making it impossible for them to gauge the return on their investment. "Lack of concrete plans" was given by British Airways, another widely tipped backer, as the reason for withholding support, but the airline was going ahead with its giant wheel on London's South Bank.

Insiders cite the absence of detailed plans and major backing as signs the exhibition proposal is in jeopardy. It is inconceivable, they say, that enough cash will be found before the expiry of the deadline at the end of this month.

"The vibes are not good," said an official at one of the

local government organisations involved. "There is not much time left."

A Commission spokeswoman said the exhibition was still on course. However, she stressed: "The Millennium Commission has always said that before it goes ahead and commits money it has to be convinced the exhibition will be commercially viable. We have not said it will definitely happen."

Imagination, the design company whose Greenwich proposal won the approval of the Commission, is also showing signs of impatience. "This is one event which can't open late," said a spokeswoman.



Britain defeated again in battle over beef ban

SARAH HELM
DONALD MACINTYRE
and **PAUL FIELD**

Britain failed again yesterday to persuade its European partners to ease the beef ban, as member states demanded more guarantees that action was being taken to eradicate infected beef.

However, sources in Brussels and London insisted that the mood in the European Union was moving in Britain's direction and last night the super-market chain Asda gave the beleaguered British beef industry a boost by announcing it was to ban all foreign beef from its shelves.

The company's chief executive, Archie Norman, said: "British beef is the best and safest in the world, and our shoppers want to buy it. The industry should stop squabbling and get on with giving customers what they want."

A meeting of the European Union's standing veterinary committee in Brussels, postponed a decision on whether to relax the ban on gelatine, semen and tallow, until Monday. The delay was agreed after it became clear that, despite heavy British lobbying, a majority of member states were not prepared to endorse the modification without further reassurance from the Government.

Commission sources made clear last night that if Britain wants to be certain of achieving a decision in favour of easing the ban, it must table formal proposals for the selective slaughter of cattle.

Although Douglas Hogg, the agriculture minister, has proposed a selective slaughter programme for the 42,000 cattle deemed most at risk from BSE, the European Union has not yet been presented with the formal plans for such a cull.

Concern has been growing in Brussels about the failure of the

Government to produce any firm evidence that an eradication programme is being instituted in a concerted and controlled way.

"Britain has got the message that it must show it is serious. Then things are likely to go their way," said one senior EU official last night.

There were signs that if Britain can give the necessary reassurances a majority of the member states would vote to lift the ban on Monday.

The main opponents yesterday of lifting the ban immediately were Germany, Austria and Greece. Germany has argued all along that Britain

still backing German opposition to lifting of the ban.

The relatively upbeat response was agreed at talks between Mr Major, Michael Heseltine, the Deputy Prime Minister, Kenneth Clarke, the Chancellor, and Malcolm Rifkind, the Foreign Secretary. Mr Hogg left the Commons - where a two-day debate on agricultural policy was under way - to attend.

Mr Rifkind emerged from the meeting to declare the Government was encouraged that the Commission was backing the UK and had now taken the view that there "should be pause for thought over the next few days".

He said there was a "good prospect" that the partial lifting of the ban would go ahead next week.

Ministers face the dilemma of keeping their own back-benchers in check without further alienating their European partners, whose support they vitally need if there is any hope for a progressive lifting of the EU beef ban in general, and the tallow, gelatine and bull semen ban in particular, at Monday's meeting of agricultural ministers.

Some ministerial hawks have already been pressing for a series of retaliatory measures to be worked up.

These include a possible far reaching change in the 1972 European Communities Act which would allow the British government to retaliate against imports of EU products to Britain without risking British court rulings that such action was in conflict with European law.

But Whitehall officials were emphatic that policy over the next few days would concentrate on winning round the countries whose reservations stopped the European Commission putting the issue to the vote yesterday.

Instead, government efforts would concentrate on diplomatic contacts with countries

still backing German opposition to lifting of the ban.

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President Jacques Chirac addresses both Houses of Parliament at the Palace of Westminster yesterday during his state visit. Photograph: Edward Webb

Dole quits Senate to revive ailing campaign

RUPERT CORNWELL
Washington

In a bombshell decision that could change the dynamic of the US presidential race, Bob Dole was expected to announce yesterday that he would resign from the Senate which has been virtually his life for 27 years, to concentrate on his faltering campaign for the White House.

With polls showing him trailing Bill Clinton by up to 20 points, Mr Dole is under intense pressure to extricate himself from the quagmire of the Senate and spend more time taking his message to the country. But few expected him to go further than step down from the job of Majority leader.

The apparent decision to leave the Senate stunned Washington. Even Trent Lott, the Senate Majority whip and Mr Dole's deputy, professed ignorance of Mr Dole's intentions.

But the logic dictating Mr Dole's change of heart seemed compelling. By opting to conduct his White House campaign from the Senate, he had become ensnared by Democratic manoeuvring that made a mockery of his claim to be a master legislator.

Now he is free, in effect relaunching his campaign, and cutting loose from a Congress whose unpopularity had been one reason for his own.

Mr Dole is also escaping history: the last two Senate

leaders who sought the presidency, Lyndon Johnson for the Democrats in 1960 and Howard Baker for the Republicans in 1980, both failed.

To dent the Clinton lead, Mr Dole must sharpen his speaking style and place more emphasis on his remarkable life story. By law he has no more than \$2m (£1.4m) of campaign funds to spend over the three months between now and the Republican convention, a pittance by US political standards.

A successor to complete Mr Dole's term in the Senate, which expires in 1999, will be named by the Kansas Governor Jim Graves, a Republican. But the battle to succeed him as Majority leader could be fierce.

IN BRIEF

Benefit crackdown

A central benefits fraud squad and an immediate investigation of all private landlords who receive more than 20 housing benefit payments each week was demanded yesterday. Page 8

Hostages freed

Four British hostages held by rebels in Indonesia for 128 days were due to fly out of the jungle for medical check-ups after they were released in a raid by special forces. Page 3



Runcie: I ordained gay priests



ANDREW BROWN
Religious Affairs
Correspondent

Lord Runcie, the former Archbishop of Canterbury, knowingly ordained practising homosexuals, contrary to the guidelines laid down by the House of Bishops.

He told BBC Radio 4 that he never ordained men who were openly involved in gay relationships, but simply ran a policy of "don't ask, don't tell."

"I have not knowingly ordained anyone who told me they were a practising homosexual and were living in partnership with somebody as if it were a

marriage... in fact I have halted an ordination when I discovered that. On the other hand, I never liked the prospect of enquiring into what happened in a man's bedroom unless he is prepared to tell me."

The Rev Richard Kicker, the deacon who runs the Lesbian and Gay Christian Movement, and whose own ordination to the priesthood was halted by Lord Runcie 20 years ago when he came out, said yesterday: "We have said for years that the present policy is unworkable. It is good that he has said so too."

Lambeth Palace would not comment on the former Archbishop's remarks, except to suggest that they formed part of a debate which the church is meant to be encouraging.

But the General Synod press office issued an immediate denunciation of Lord Runcie's remarks: "The House of Bishops has made it quite clear that the church cannot regard homosexual practices as on a par with heterosexual relationships within marriage."

Later in the interview, to be broadcast at 8pm tonight, Lord Runcie said the root of the Church of England's present problems with sexual morality go back to the Lambeth Conference of 1930, when the Anglican Communion decided that

contraception within marriage was acceptable. "Once the Church signalled... that sexual activity was for human delight and a blessing even if it was divorced from any idea of procreation [but] once you've said that sexual activity is... pleasing to God in itself, then what about people who are engaged in same sex expression and who are incapable of heterosexual expression?"

This argument was not attacked by the Synod's press office, which said: "To accept the case for artificial contraception within marriage does not imply that it is right to engage in sex outside marriage."

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news

Beef cull a 'fiasco' as slaughter programme falters

Paul Field reports on the failure of the Government's plan to eradicate BSE to meet half its target figure of cattle

THE CULL

The Government scheme to destroy cattle over 30 months in an attempt to eradicate BSE and bolster public confidence in British beef is still facing huge logistical problems, with only half the anticipated number of animals being slaughtered in the first week.

Ministers had hoped to dispose of about 22,000 cattle a week, but only 11,190 cows were slaughtered between May 3 and 13, a shortfall which has alarmed the beef industry.

John Martin, chairman of the Livestock Auctioneers' Association, said: "The scheme is still a fiasco. There is only one abattoir for every two counties and the East Midlands and Cheshire, both with a large concentration of cattle, are not covered at all."

About 15,000 dairy cows at the end of their productive life are to be taken out of the food chain, as well as several hundred thousand prime beef cattle over 30 months old. There is also a backlog on farms of about 120,000 cull cows.

Under the scheme, administered by the Intervention Board, cattle will be slaughtered in abattoirs where the bovine of all such as the brain and spinal cord will be removed for incineration. Butchers then prepare the rest of the carcass for incineration or burial at designated landfill sites.

Only 21 of the 72 abattoirs registered to take part in the slaughter have been selected.

The drop, which has infuriated abattoirs excluded from the scheme, was designed to ensure that throughput could handle. At present, cattle can be slaughtered at a faster rate than rendered.

However, while the Intervention Board puts the rendering capacity at 18,000 carcasses a week, well below the number needed to clear the backlog, the UK Renderers' Association insists its members can deal with 25,000 a week.

Its secretary, Alan Sadler, said he could not understand why ministers and the Intervention Board were adamant that only 18,000 carcasses a week could be rendered. "Obviously there is a limit to what we can handle but it is beyond 25,000 and it is possible we will be able to deal with more. If we are to run at maximum capacity we have to have a more structured scheme."

He said the renderers have yet to be told how much they are to be paid by the Intervention Board for carrying out the work. A £115m package was agreed last month to compensate them for the loss of selling boneless and beef products such as gelatine and tallow, but there is still no agreement on payment for involvement in the scheme.

An Intervention Board source revealed that problems with the rendering capacity could be overcome by putting carcasses into cold store. It is understood storage space for 30,000 cattle will be available



Worried men: Hundreds of farmers gathered at Westminster Cathedral Hall yesterday for an NFU rally pressing MPs for a lifting of the beef ban

within a fortnight, which could double a few weeks later.

THE FARMERS

The spectacle yesterday of hundreds of farmers in Westminster, lobbying MPs about the disastrous effects of the EU ban on British beef, reflects the mood across the beef industry.

The longer it takes to clear the backlog of about 300,000 cattle the more painful the impact on the industry.

John Martin, chairman of the Licensed Auctioneers' Association, said: "Everyone is exasperated. There not only seems no end to the crisis but no start to resolving it."

He said the longer the animals remain on farms, having to be fed for slaughter, the smaller the value of the compensation once cattle have been put through the scheme.

However, there are some signs of recovery in the beef market - sales at auction are returning to what they were before the BSE scare although prices are still down.

The Meat and Livestock Commission reported sales at auction of heifers and steers, the prime beef cattle, were at 18,088 for the week ending 5 May, only 2,000 down on the same period last year. But the price difference is stark - a fall from 121p per live kilo to 103p which is hitting farmers and auctioneers hard.

At the height of the crisis, in the week ending 30 March, only 771 prime beef cattle were sold at auction, with the price dropping to 98p.

Prior to the latest BSE scare, sales stood at 19,346 at 119p. Inside the meeting at Westminster Central Hall, farmers were addressed by Sir David Naish, the National

Farmers' Union president, and Sandy Mole, Scottish NFU president. They then walked to the Houses of Parliament to press MPs for a lifting of the ban as they prepared for a two-day debate on the EU agricultural policy.

However, the main talking point was the slaughter scheme. John Hardwick, from Hereford, said: "I have a herd of 200 cattle. At the moment the market value is depressed by 20 per cent and I'm here to reinforce that we need support until market confidence has returned - otherwise our existence is seriously threatened."

Jan Rowe, who farms near Cheltenham, Gloucestershire, added: "With the Government scheme to destroy cattle, farmers are suffering because the process isn't properly managed and only exists on paper - it needs speeding up."

The expense of feeding also worried John Littlefair, an NFU official from Hartlepool, who said: "There is great uncertainty about the money available for feeding because farmers have basically not been paid for nine weeks and have been sitting on their assets."

The IMTA argues that as exporters are unable to pay slaughterhouses, who pay the farmers, the whole industry is affected. However, the organisation concedes its original proposal to convince the Government to buy unsold beef and put into storage for sale at a later date rather than dispose of it is now unrealistic.

Exporters are to take legal action over the Government's handling of the beef crisis in an effort to secure compensation for the total collapse of their world market. The International Meat Trade Association accused the Ministry of Agriculture of being discriminatory and negligent in drawing up a rescue package for the industry.

The organisation is seeking a judicial review of the Government's decision to throw a lifeline to farmers, abattoirs, meat processors and renderers without offering any compensation to exporters, facing losses of £10m a week.

The export industry, worth £520m a year, came to a standstill after the world-wide ban on British beef was imposed at the end of March. IMTA estimates that exporters have £23m of unsaleable beef in storage - and as their stock value now exceeds the asset value of their companies many face collapse unless compensation is offered.

Jenny Burt, chairman of the IMTA export committee, said: "I cannot understand why the Government is fighting for a lifting of the export ban at the same time as ignoring our crisis."

The IMTA aims to demonstrate that the rescue package unveiled last month by Douglas Hogg, the Minister of Agriculture, is unequal. "We are in the

same industry as those sectors which are being compensated for being unable to sell the same product we deal in. It is unlawful discrimination," she said.

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Sales of beef are recovering after plunging in the wake of the BSE crisis, although butchers and supermarkets are still suffering from a lack of consumer confidence. Independent butchers, who traditionally use beef as their main product, saw beef sales fall by up to 50 per cent at the height of the scare. Now sales of steaks are returning to normal but mince, meat pies and sausages are still down.

John Fuller, director of the Federation of Meat and Food Traders, said most of the 3,000 high-street butchers who are members were encouraged by the recovery but are still seeking compensation for the loss of business.

He said: "There is still a problem with consumption. It is such a pity for my members that the public misconception as less safe than steaks. There is no difference. Pork and lamb sales have increased but we have still put in a submission to the Government for a fund to which our butchers can apply for compensation. There is injustice in its package."

IN BRIEF

Land protesters win court ruling

Green activists who built a makeshift village of 45 tents and huts on a derelict site owned by Guinness won a High Court order yesterday allowing them to stay in their homes. The Court ruled that Guinness had not served a repossession order properly and had incorrectly identified the 13-acre site in Wandsworth, south London.

George Mombiot of the protest group The Land is Ours said: "They're playing dog in the manger. If they don't have any better plans for this piece of land, why should we not stay and make use of it?" Guinness said the ruling was a technicality and they were confident it would be reversed next week.

£250m city plan

The UK's largest property company plans a million square foot shopping and leisure complex costing £250m in Birmingham city centre. Land Securities said Martineau Galleries would be one of the largest city centre projects in the UK. The site covers 10 acres next to Masshouse Circus, which the city council plans to redevelop as part of its plans to create Millennium Point, a £110m landmark project.

Killer is recaptured

A double killer has been recaptured after six days on the run from a psychiatric hospital. Charlie Smith, 37, a relative by marriage of Ronnie Kray, went missing from Maidstone, Kent, on Friday after being allowed out for an unsupervised walk. He was arrested in Gosport, Hampshire. Smith was sentenced to life in 1977 for the knife murder of a man in Oxford. While in Wormwood Scrubs he killed a fellow inmate.

Bach record sale

An original Bach manuscript hastily written and signed by the composer was sold for a world record £496,500 at Sotheby's in London. The Cantata No 2 is one of the last remaining Bach manuscripts in private hands. He wrote it while cantor of St Thomas's Church and School in Leipzig, where he had to produce a cantata a week. It was written for the second Sunday after Trinity in 1724 and was first performed on 18 June, 1724.

Bedsit death charge

A 31-year-old man appeared in court accused of a brutal murder in a bedsit. Adrian Hill, of no fixed address, was charged with killing Gareth Brooks, 29, at his home in Plymouth on Sunday. He was remanded in custody for a week by Plymouth magistrates. The body of Mr Brooks was found in the hallway of his flat. An axe was found nearby and a post-mortem revealed he died from multiple head wounds.

Digging up history

An eight-year-old boy has unearthed a 2,000-year-old fragment of Bronze Age pottery on a school history trip. Robert Vincent found the clay piece at the Bradbury Rings hill fort, near Wimborne, Dorset. Experts believe the pottery may pre-date the 800BC Bradbury Rings by more than 1,000 years. Robert, from Wimborne, said: "I was just scabbling about. I was really shocked when I was told what it was."

Bomb expert hurt

A bomb expert was injured as he showed police how to deal with explosive devices. The soldier, from the explosives ordnance unit at RAF Northolt, Middlesex, suffered minor burns to his head and body when a fuse misfired at the Thames Valley Police training school near Reading, Berkshire. He was allowed home after hospital treatment. The incident was reported to the Health and Safety Executive and an Army inquiry launched.

George's record

The singer George Michael's new album had advance orders of 500,000 before its release on Monday and is expected to sell 2.5m in Britain this year, his record company said. The album, *Older*, is outselling its nearest rival Jagger's *Little Pill* by Alanis Morissette by 10-1. It is his first record for five years after a legal battle with Sony.

'Harassment rife' in police

A policewoman wept yesterday as she told a tribunal of a "culture of sexual harassment" in the force where she works.

Sgt Jane McGill, who has been in the West Yorkshire force for 26 years, described a catalogue of alleged incidents against female officers and said most women suffered in silence.

Sgt McGill, the force training officer and women's representative for the Police Federation, said she had been subjected to four indecent assaults since joining the force.

She had suffered frequent sexist language and seen her promotion prospects blighted. She was giving evidence at an industrial tribunal in an action brought by PC Karen Wade, 27, against West Yorkshire police and three male colleagues from the Holbeck division in Leeds.

PC Wade claims she had to endure months of sexual harassment from PC Dean Moun-

tain, 30, Sgt Paul Fountain, 30, and Sgt Ian Devey, 32.

Sgt McGill said up to 30 women officers, in the last six years, had spoken to her in confidence about alleged sexual harassment. But none had ever made a formal complaint. Only one brought an allegation of sexual harassment to a grievance committee but had asked the panel to take the matter no further.

The force initiated its special grievance procedure in August 1991 to combat sexual harassment, but Sgt McGill, 43, the force's first contact officer, who deals with welfare matters, said most women suffered in silence.

She said: "I have been subjected to four indecent assaults... and discrimination in terms of gender in respect to applications to other posts in the service. I have been declined promotion on one occasion because of my sex and on another because of my marital status.



PC Karen Wade: Accuses colleagues of harassment

I personally experienced inappropriate and sexist language with such frequency it would be difficult to put a number to it."

"I have acquiesced and, gone along with and turned a blind eye to behaviour directed at me personally. At times I have blamed myself but I have survived and had a good career."

She said there was an understanding among the force's 600 women not to complain "because there was no one to complain to". The hearing continues.

Sex evidence misused as prison pornography

JASON BENNETTO
Crime Correspondent

A new law to prevent alleged rapist and paedophiles from using victim's photographs and statements as pornography is to be introduced, it was announced yesterday.

The clampdown on suspected sex offenders follows reports that evidence, which usually includes details of the alleged assaults, is being distributed among inmates in prison. There are also fears that statements and explicit photographs are being swapped among paedophile groups outside jails.

The initiative was revealed by Michael Howard, the Home Secretary, at the Police Federation's annual conference in Scarborough, to prevent victims from suffering further trauma and from being frightened of giving evidence.

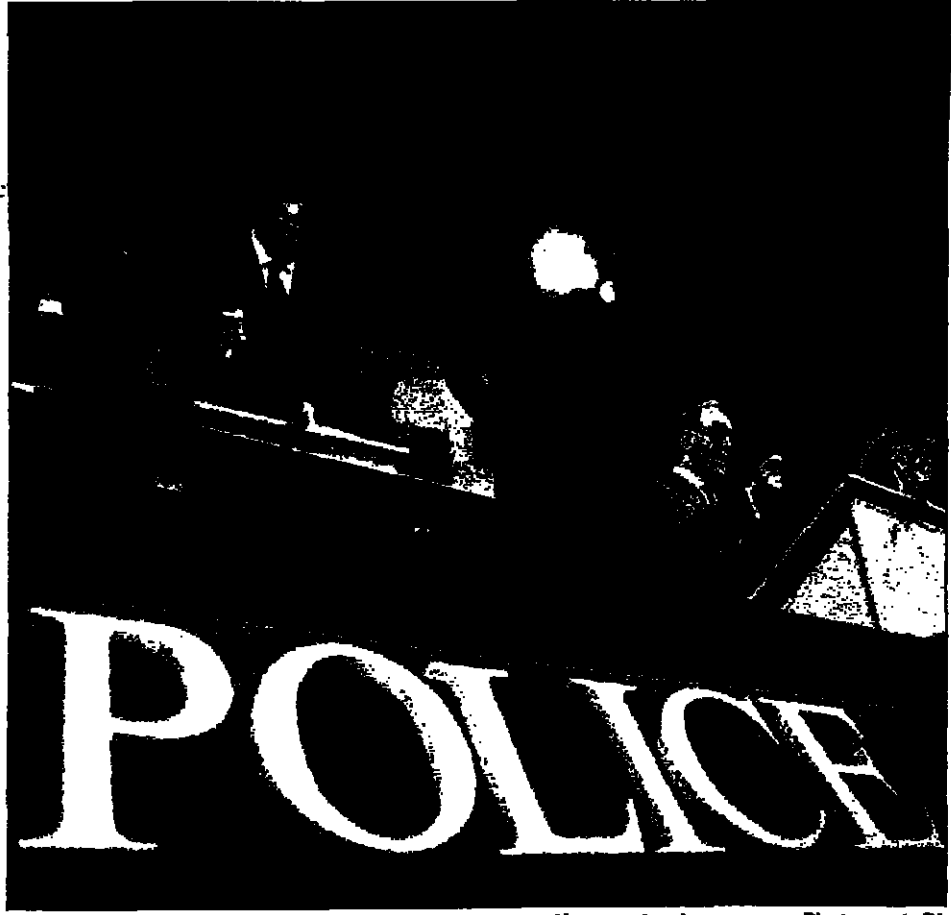
He told delegates: "Victims of sexual offences suffer appalling crimes. Their distress should not be made worse by defendants and their friends misusing victim statements and photographs as a form of pornography."

"Of course defendants must be able to see all the evidence against them. But for them to keep and misuse sensitive material is an affront to victims."

Prosecution documents, including witness statements, are currently made available to defendants under disclosure rules to help them mount a defence.

Mr Howard said a consultation paper is being drawn up to prevent any abuse of the system. The new legislation, which could be introduced in a forthcoming Crime Bill in the autumn, will make it an offence for defendants to keep the protected material in their possession. Instead they will only be able to look at it while under supervision, probably in the presence of a solicitor.

The move represents the Government's latest attack on



Clampdown: Michael Howard at the Police Federation yesterday

Photograph: PA

paedophile activities. It is already completing a consultation paper outlining measures which would force convicted paedophiles and other sex offenders to register with the police every time they move home, and restrictions on the employment of convicted offenders, particularly in jobs giving them access to children.

In a speech designed to win police support in the run up to the election, Mr Howard paid tribute to the service and the bravery of its officers and repeated his proposals for tougher sentences. He was rewarded with loud applause by delegates who represent 126,000 rank and file officers.

Earlier Fred Broughton, chairman of the federation, raised his concerns about the growing gun culture in Britain.

He said: "It is intolerable that criminals can act on the streets of Britain in the manner of the street gangs of American cities. We must take concerted action to stop this drug and gun culture from taking such a hold that it mirrors the American experience."

He added that the criminal use of guns is on the increase and that illegal weapons can be obtained "with ease".

He also expressed his fear that any recommendations on firearms made by the forthcoming Cullen inquiry, set up

after the Dunblane massacre, would come too late for the Government to introduce before the election.

The federation went on to pass an emergency motion to urgently review its policy on the possession and use of firearms and to persuade the Government to introduce changes.

Mr Howard said he had ensured there would be enough time available in the autumn for legislation to go through.

A leaflet giving advice on how to hand in guns and ammunition during June's firearms amnesty was also launched yesterday. It will be available at police stations, citizens' advice bureaux and libraries.

University ratings 'to set funding'

JUDITH JUDD
Education Editor

An elite group of universities which would monopolise research came closer to existing yesterday with the publication of a report on the future of postgraduate education.

The report to the Higher Education Funding Council proposes that only those departments which receive top ratings for research should receive funding for postgraduate research students.

The proposals from Professor Martin Harris, vice-chancellor of Manchester University, will be unpopular with some of

the new universities, former polytechnics, who are trying to build up their research strengths but lag behind older universities. And they follow a report last month saying that research funds should be concentrated in a few universities because of the shortage of government funds.

Later this year the funding council, which grades universities for research and distributes funds accordingly, will decide whether the bulk of research money should go to a "premier" division of universities.

The proportion of postgraduate students in British universities has increased from 13 per cent of the total student

population in 1979 to 21 per cent two years ago. Many postgraduates come from overseas and Professor Harris recommends that universities should still be free to recruit postgraduates by charging additional fees. Only a minority of postgraduate students are carrying out research. Most are doing taught degrees such as Master's.

The report says that postgraduate qualifications differ widely in standard: some are equivalent only to first degrees.

Professor Harris said that there was "substantial evidence" that the rapid expansion in taught postgraduate courses had led to "widespread confusion at

home and overseas." He believed there should be standardised descriptions of courses and accurate descriptions might become a condition of funding.

He said: "Provision of high-quality postgraduate education is of central importance to the UK's position in international markets. The report concentrates on how postgraduate education can best be funded and organised in the years ahead." The report says there should be no further transfer of funds from undergraduate to postgraduate.

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THE INDEPENDENT ABROAD

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Soldiers free British hostages from jungle

MICHAEL STREETER

Four British hostages held by separatist rebels in a remote Indonesian province for 128 days were due to fly out of the jungle for medical check-ups today after they were released by a covert military operation.

Two Dutch nationals, one of them seven-months pregnant, and three Indonesians were also freed when the local equivalent of the SAS stormed the rebels' mountain hideaway in

Irian Jaya in monsoon conditions. Two more Indonesians were said to be in "hot pursuit" of the fleeing separatists.

The families of the four Britons, Daniel Start, 21, Bill Oates, 22, Anna McIvor, 20, and Annette van der Kolk, 21, were "delighted" last night after reports that all of them were unharmed, though weak and thin after their ordeal. The four, all graduates of Cambridge University on a scientific

expedition to the region, were forced by the appalling weather to spend an extra night on the mountain guarded by soldiers. It may be several days before they are fit to fly home, probably at the weekend after they have had medical checks.

Mrs Susan McIvor, from Bournemouth, Dorset, who heard of Anna's release from the Foreign Office, said: "I'm naturally thrilled to hear that everyone released is well. But we are obviously concerned

about what has happened to the remaining two."

She said Anna's letters passed via the Red Cross showed she had adapted well. "She has a great ability to cope with things. I always felt she would come back."

Colonel Sultan Iskandar, deputy spokesman for the ABRI, the Indonesian military, said soldiers had scaled down ropes from helicopters before rebels fired "four or five" shots at them. "There were no in-

jured, dead or whatever," he said. His troops had attacked when the 20 rebels, seven armed, were some way from the hostages, to reduce casualties.

The hostages were located by a pilotless drone aircraft in a remote jungle clearing near the village of Geselama, in the Baliem Valley.

The Britons and 22 others were captured on 8 January by members of the Free Papua Movement - OPM - to publicise their campaign for indepen-

dence for the Indonesian-occupied half of New Guinea. A German and 14 others were released shortly afterwards.

The 50 troops moved in at 8am British time yesterday a week after negotiations involving hostage negotiators from Scotland Yard broke down.

Aidan Rankin, of Survival International which campaigns for tribal peoples' rights, welcomed the safe release but said it was concerned the authorities might carry out widespread

"bloodletting" and make West Papuans scapegoats for the incident.

The Dutch man who was freed is Marc Van Der Wal, who works for the World Wide Fund for Nature (WWF). The pregnant woman, Martha Klein, a United Nations official based in the capital, Jakarta.

Indian authorities and Kashmiri militants both denied British newspaper reports yesterday that four Western hostages, including two Britons,

held in the Himalayas by gunmen for over 10 months may have been killed.

In New Delhi, a British High Commission spokesman said: "We're following up these reports through every contact we have. But we're continuing on the basis that the hostages are still very much alive."

Keith Mangan, 33, from Middlesbrough, and Paul Wells, 24, a student from Nottingham, were seized by an Islamic militant group, known as Al-Faraj.

Orange Prize: Winter's tale from top children's author tops shortlist for new £30,000 women-only fiction competition



Julia Blackburn, *The Book of Colour*, Jonathan Cape

Author's Biography: Suffolk-based author of *Charles Waterton, The Emperor's Last Island* and *Daisy Bates in the Desert* — shortlisted for the Waterstones/Esquire/Volvo non-fiction award.

Plot: Based on the lives of the author's father and grandfather, a story of childhood, memory and madness and a curse that passes down through generations, set on Mauritius.

Critic's View: "Richly textured, its heavy reliance on the fantastic leaves one feeling that a little magic realism goes a long way." Penny Perick, *The Times*.

Readability: Middling.



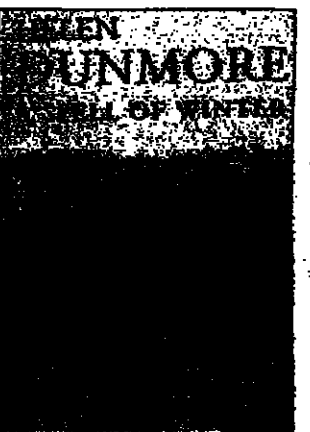
Helen Dunmore, *A Spell of Winter*, Viking

Author's Biography: Yorkshire-born award-winning poet, children's novelist and short-story writer. Author of two other adult novels, *Zennor In Darkness* and *Burning Bright*.

Plot: Set against backdrop of the First World War, this story of love between brother and sister is a dreamlike and often disturbing narrative of loss and recovery, violent death and erotic awakening.

Critic's View: "Dunmore's language is often charmingly lyrical, usually simple. Even so, the point of the book is difficult to unearth." Gill Pyrah, *Daily Telegraph*.

Readability: Parts raunchy.



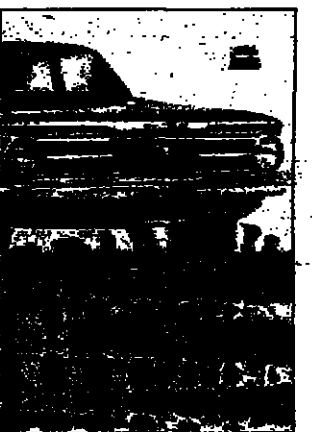
Pagan Kennedy, *Spinners, Serpent's Tail*

Author's Biography: An American author, this is her first novel, preceded by *Stripping and Other Stories* and *Platforms: The Microwaved Culture of the 1970s*. Former pop critic for the *Village Voice*, Kennedy had her own cult cable television show and lives in Boston.

Plot: After their father dies, two middle-aged sisters break out of their circumscribed existence on a 1968 drive across the United States.

Critic's View: "This slim novel conceals interesting depths beneath an ostensibly placid surface." Pam Barrett, *Sunday Times*.

Readability: Not bad.



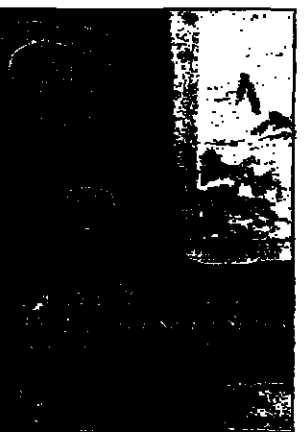
Amy Tan, *The Hundred Secret Senses*, Flamingo

Author's Biography: Born in California after her parents emigrated from China. A former freelance business writer, her previous two novels, *The Joy Luck Club* and *The Kitchen God's Wife*, were both bestsellers.

Plot: Olivia Bishop's attempts to live according to logic are scuppered by her Chinese half-sister Kwan, who talks to ghosts and tells stories about her imaginary past life.

Critic's View: "A fierce, blinding evocation of a world beyond the perceptions we normally take for granted," Julie Myerson, *Independent on Sunday*.

Readability: Fairly high.



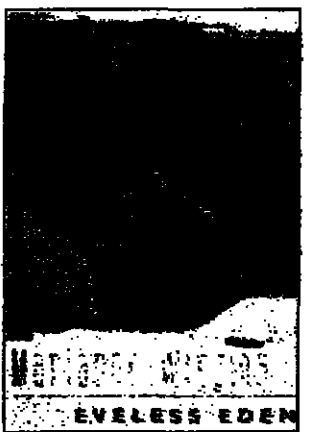
Marianne Wiggins, *Eveless Eden*, Flamingo

Author's Biography: US-born author of four previous novels, most recently *John Dollar*, and two collections of short stories. Now lives in London. Divorced from Booker-prize-winning author Salman Rushdie.

Plot: Foreign correspondent obsessed by his ex-lover, a photo-journalist, narrates the affair and its aftermath. Set in Paris, London, Berlin and Bucharest after the fall of Communism.

Critic's View: "A novel which is so exciting that some ballast is required if you are not to skim it in your haste to learn the outcome," Helen Stevenson, *The Times*.

Readability: Low.



Anne Tyler, *Ladder of Years*, Chatto & Windus

Author's Biography: US author of Pulitzer prize-winning novel *Breathing Lessons* and *The Accidental Tourist*. Lives in Baltimore, and this is her 13th novel.

Plot: On holiday, middle-aged, diffident Della walks out on demanding family. Then her old and new lives collide.

Critic's View: "Its surface sparkles with euphoria. Unquenchable enchantment with people's personalities and predicaments," Peter Kemp, *Sunday Times*.

Readability: 10 out of 10.

Dunmore wins controversial award

MARIANNE MACDONALD
Arts Correspondent

Helen Dunmore, the British author, was named as the first winner of the women-only Orange Prize for fiction at a ceremony in London last night.

Her success was not unexpected. Earlier, the award-winning poet and children's author had been installed as a clear 2-1 favourite by bookmakers William Hill for *A Spell of Winter*, her novel about a middle-class family going to the aid in the run-up to the Great War.

The Orange Prize has already generated its fair share of controversy. Last month, two of the

five judges condemned the quality of the 146 books submitted for the £30,000 award, which is open to women of any nationality.

Val Hennessy, a critic, was reported as saying: "I have judged several prizes before and I have seldom come across so many books that were so bad." Susan Hill, the novelist, called the quality of entries "abysmal, terrible".

Others noted the omission from the shortlist of Pat Barker, who won the Booker Prize last year for *The Ghost Road*, a book about a typically male subject, war, with a largely male cast of characters. Because the prize

is restricted to women, it has predictably ruffled feathers. Antonia Byatt, like Pat Barker one of the few women to have won the Booker Prize in recent years, admitted it was unlikely that she would enter.

"I am against anything which ghettoises women. That is my deepest feminist emotion," she told the *Independent* in January.

A previous launch attempt in 1994, under the sponsorship of Mitsubishi, was derailed after the company took fright at such negative publicity. The late Sir Kingsley Amis said disdainfully: "If I were a woman I would not want to win this prize. One can hardly take the

winner of this seriously."

But Kate Mosse, who chaired the judging panel, defended the Orange Prize against charges of sexism. She said at the January launch that it was partly inspired by the notorious 1991 Booker Prize shortlist when all six authors — including Martin Amis and Roddy Doyle — were men.

Ironically, two of the short-listed novels were written from the point of view of men and both books — Julia Blackburn's *The Book of Colour* and Marianne Wiggins' *Eveless Eden* — have a colonial flavour more usually associated with the Booker Prize. Three other writ-

ers made last night's shortlist. They were Amy Tan, with *The Hundred Secret Senses*; Anne Tyler with *Ladder of Years*; and Pagan Kennedy with *Spinners*.

The Orange Prize was set up by female publishers following a casual suggestion by the novelist Salman Rushdie — the former husband of Ms Wiggins.

It is supported by the broadcaster Sarah Dunant, Bloomsbury's publishing director Liz Calder, the chair of the Broadcasting Standards Council, Lady Howe, the Labour front-bencher Marjorie Mowlam, Education Secretary Gillian Shephard and journalist Polly Toynbee.

M&S and Halifax score top in fantasy high street

Britain's perfect high street would have none of the top four banks, no Tesco, Sainsbury or Safeway and no Dixons or Currys, according to a survey of shoppers.

Neither would there be a Threshers, Abbey National, C&A or Miss Selfridge if consumers could choose their own "fantasy shopping centre".

But there would be a Marks & Spencer, Halifax, William Hill bookies and upmarket shops such as Waterstone's for books, Body Shop for cosmetics and Thomsons for cosmetics.

Shoppers were asked to pick their favourite stores in different categories to make the dream shopping centre for a report compiled by the analysts Total Research.

The favourite foodstore was not Tesco or the other big supermarkets but Marks & Spencer, which was also among the best selected stores for clothes. And the bank that people would most like to have in their high street was not Barclays, NatWest or Midland but the Royal Bank of Scotland.

But while shoppers went for what might be regarded as the more upmarket chains in these categories, they also wanted the more down-to-earth names in others.

For instance they chose Clarks for shoes above its more expensive rivals and the catalogue shop Argos over Dixons, Currys or Comet for household and electrical goods.

The Halifax beat off all its rivals in the building society stakes and Pizza Hut won the fast-food list from McDonald's and Burger King.

Other favourites included Victoria for off-licence wines and spirits, Boots to cure the resulting hangover, Thomas Cook among travel companies and Next, Principles and Jaeger for clothes.

Mike Hamm, of Total Research, said: "There are a lot of surprises in the choices made by consumers."

"Shoppers did not always choose the names they used the most but those that, perhaps, they wanted to use the most but could not find locally."

"The bank choice was un-

usual. The Royal Bank of Scotland is not the most widely used bank but customers of the other brands must have chosen Royal Bank of Scotland as their ideal."

"The same applies to some shops. So if that is the case why do they not change banks or stores? The fact is many people are happy with where they shop or bank but perceive other brands as having a better image."

Mr Hamm admitted that the ideal high street portrayed by the survey tended to look more

like Woking than West Ham but that its findings could act as a pointer for retailers in other ways.

He said: "The Halifax, for instance, may find it does better if it sites branches next to [the newsagents] WH Smith rather than Martins."

"By analysing these results shops could find other retailers who appeal to the same audiences."

The report was based on interviews conducted with more than 1,000 shoppers around the United Kingdom.

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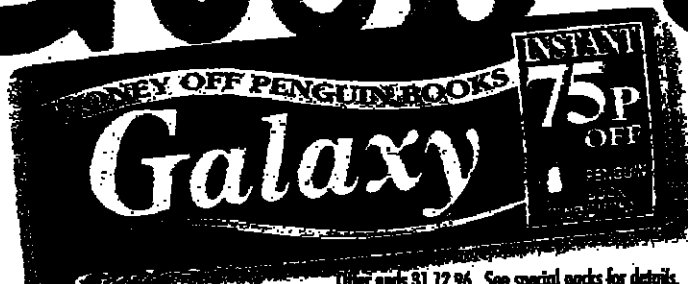
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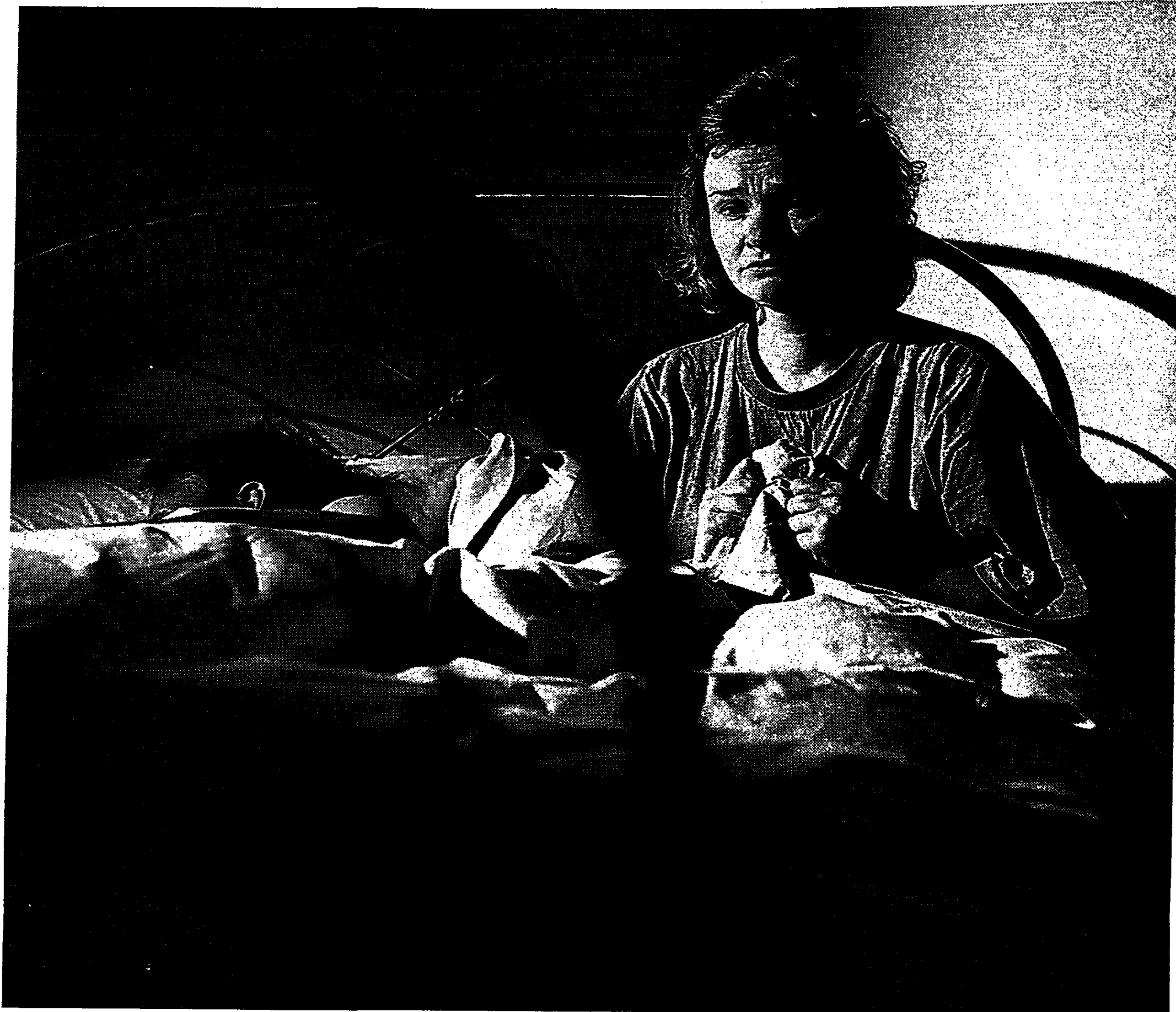
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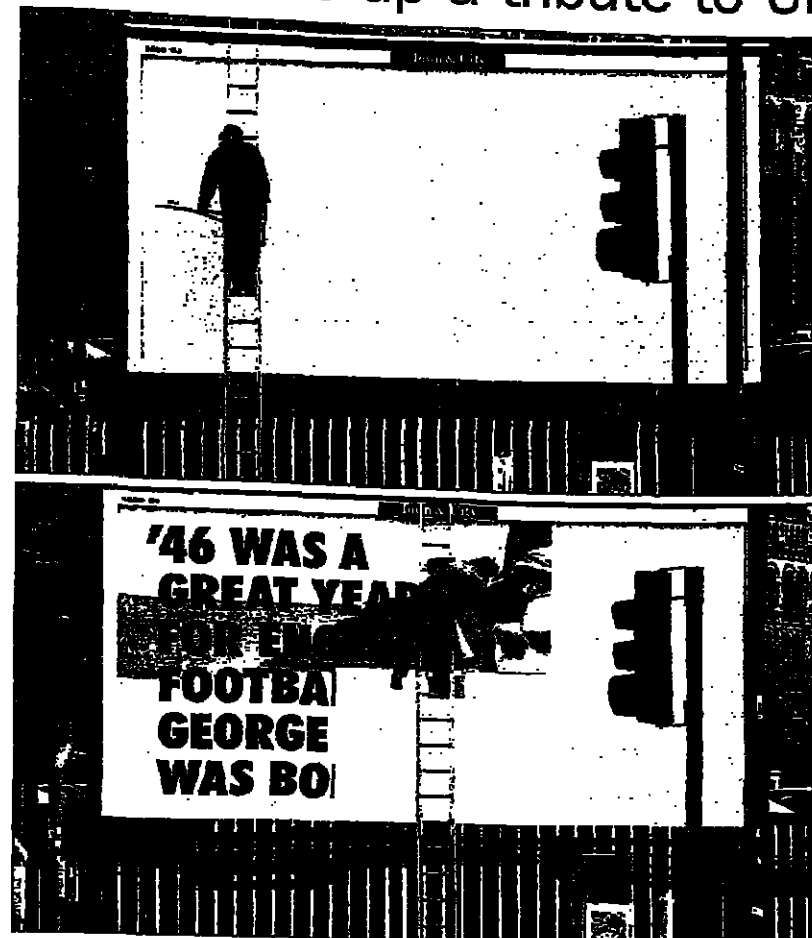
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BBC runs up a tribute to United's last great idol as he reaches his half-century



None but the Best: A one-off poster was put up in Manchester yesterday to mark George Best's 50th birthday on Wednesday, and a night of Best programmes on BBC2 on Sunday. Photograph: Craig Easton

Gays bid for radio licence

MARIANNE MACDONALD
Media Correspondent

Britain's gay and lesbian community could have its first radio station next year, if plans to apply for the last Greater London FM licence are successful. The franchise for 104.9 FM is up for grabs with a July deadline set by the Radio Authority, which says it is likely to be the last FM licence for Greater London that it will offer.

Two gay groups are vying to land the prestigious franchise. Both were originally from the team which ran Freedom FM, which made two month-long "restricted licence" broadcasts aimed at gays and lesbians on a London wavelength last year. But Richard Walker, a researcher and adviser, and Matthew Walter, a presenter, fell out with the others. They have since set up Zone Radio and are making their own bid for the licence.

If either one wins, it will become Britain's first gay station, and the world's sixth. Zone estimates there are 500,000 gays in Greater London.

Black pupils 'held back by prejudice'

JUDITH JUDD
Education Editor

Black boys do badly at school because teachers believe they are disruptive and unacademic, leaders of the Commission for Racial Equality said yesterday.

Twenty years after an official report accused schools of stereotyping Afro-Caribbean males, nothing has changed, the commission said.

One explanation may be that teachers are frightened by the sheer size of the boys and find their physical presence threatening, said Herman Ouseley, the commission's chair.

A report to be published shortly by the Office for Standards in Education is expected to underline the poor performance of black Caribbean boys in exams. Recent research shows that Afro-Caribbean boys lag far behind other ethnic minority groups in maths and science. They even do worse than white working class boys, whose underachievement was highlighted earlier this year by school inspectors.

The commission has written

How the races fare

Birmingham analysis based on 1995 GCSE results

Percentage of boys getting grades A to C in maths

Afro-Caribbean	8.6
Black African	14.3
Indian	34.2
White	32.9

Percentage of boys getting grades A to C in science

Afro-Caribbean	12.4
Black African	28.6
Indian	44.1
White	36.9

to Gillian Shephard, the Secretary of State for Education, demanding national ethnic monitoring of pupils' achievement.

Mr Ouseley said Afro-Caribbean boys found it much harder than whites to secure training or jobs. "They are hooked into a cycle of failure."

In London, 62 per cent of those aged between 16 and 24 are unemployed.

Mr Ouseley said: "We see a crisis developing in education

with regard to children from particular ethnic backgrounds.

"A feature in all of this is that the black male is seen as a problem within schools. Undoubtedly teachers have said that and employers are saying it."

Philip Barnett, the commission's principal officer, said: "Teachers' attitudes and stereotyping have been on the agenda since the Swann report identified them in 1975."

A recent study by the Association of Metropolitan Authorities and the National Foundation for Educational Research which analysed the 1994 GCSE results in 14 authorities showed that most ethnic groups - black African, Indian, Pakistani, Bangladeshi and Chinese - make more progress at school than whites.

Only black Caribbean pupils fared worse, particularly in maths and science, where they scored an average one third of a grade below their white counterparts in maths and more than half a grade below them in science.

A Birmingham local authority study found that Afro-Caribbean boys did better than

their white counterparts at primary school but fell behind at secondary school.

Around four times as many black Caribbean as whites are excluded from school.

The commission says the Government should set national improvement targets for those ethnic groups that are failing and that a working party should be set up to investigate ways of reducing the number of Afro-Caribbean exclusions.

Local authorities should do more to support supplementary Saturday schools set up by Afro-Caribbean communities who are unhappy with their children's progress in mainstream schools, the commission believes. They should also do more to ensure that there are more well-qualified teachers from ethnic minorities.

Mr Ouseley said: "If we continue to overlook these problems, they are going to get worse and they will have dire consequences for our society."

"It is a waste of human resources. The state is picking up the tag. And there is a danger that these young people will be lured into unlawful activity."

Stabbing woman threatened to kill husband, workmates claim

WILL BENNETT

Sara Thornton threatened to kill her husband on several occasions shortly before she stabbed him to death at the couple's home, some of her former colleagues claimed at Oxford Crown Court yesterday.

She also told workmates that she would not leave her alcoholic husband, who she accuses of beating her up regularly, because she was worried about losing her share in the house.

Mrs Thornton, 41, denies murdering Malcolm Thornton, 34, says that she stabbed him accidentally after a row. She is being tried for a second time

after the Court of Appeal ordered a retrial.

In court yesterday, former colleagues at the company where she worked in Alderston, Warwickshire, alleged that in the period just before the stabbing in June 1989, Mrs Thornton threatened to kill her husband on a number of occasions.

One of them, Helen Thomas, said: "Three days before the killing she said that she wasn't happy with the way things were and that she would have to get rid of Malcolm and have to kill him. It was just the way she said it ... it did scare me."

"She said she was going to

have to get a knife and kill him. I can remember the exact words. She did not seem angry."

After killing her husband, Mrs Thornton is said to have telephoned Mrs Thomas. "She said, 'I have done what I said I was going to do'. She said that she felt she had got to and she did not feel guilty."

Mrs Thomas said that on one occasion she had advised Mrs Thornton to leave her husband. "She just said that she loved Malcolm and she would not leave him ... she was not going to give up her house, her home and everything that she had got."

Susan Davies, another workmate, told of a separate conversation. "She did say that if she did anything to him, 'I won't go down, they know what he is like'."

"I assumed that her claims of him having beaten her had been recorded. She said that if she left him, she would lose her part of the house."

A third colleague, Sally Harper, said that the day before the stabbing she overheard a telephone conversation at work between Mrs Thornton and a bank manager, in which the accused woman allegedly said: "He will be dead soon; he will be dead soon."

The case continues.

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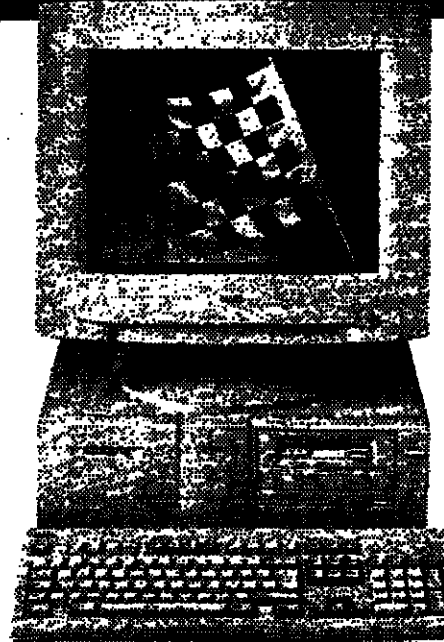
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Forensic service under fire: Home Secretary accused of complacency for failing to act on concerns of three eminent advisers

Science lab warnings 'ignored by Howard'

COLIN BROWN
Chief Political Correspondent

The Home Secretary was accused last night of "complacency" for ignoring three warnings that an independent watchdog was needed to check the operation of Britain's forensic science laboratories.

The accusation follows Tuesday's disclosure that blunders had been made over IRA cases involving Semtex explosives. Michael Howard was warned three years ago by the Royal Commission on Criminal Justice under Lord Runciman to set up the independent body to avert blunders by the public laboratories, it emerged yesterday.

It was also disclosed that Professor Brian Caddy, the scientific expert put in charge by the Home Secretary of the inquiry into the blunder, recommended the establishment of the independent body in evidence to a House of Lords Committee chaired by Lord Dainton, a cross-bench peer.

Mr Howard sidestepped the attack in the Commons by Jack Straw, shadow Home Secretary, but Professor Caddy is almost certain to reinforce the demands for the independent watchdog, which was demanded over fears that a move to cut costs to match private compe-



Jack Straw: Accused of trying to make political capital

tion could lower standards in the public forensic science laboratories.

The first call for an independent body to check on the performance of the forensic science laboratories was made three years ago by the Royal Commission. It was followed by the Lord Chief Justice, Lord Taylor, and the Lords Select Committee on Science and Technology.

Mr Straw last night said the Home Secretary had failed to act, despite repeated calls in the

wake of the miscarriages of justice involving the Birmingham Six, the Guildford Four and the Maguire Seven.

Lord Taylor warned the Home Secretary in January, 1994 that the establishment of an advisory council was urgently needed because competition with private laboratories had introduced "cost pressures" which threatened standards. "I consider the establishment of such a body now to be overdue," Lord Taylor said.

Michael Howard flew by helicopter from a conference of the Police Federation in Scarborough to defend the Government against an attack of "complacency" in the Commons by Mr Straw. Mr Howard accused Mr Straw of attempting to make "political capital" out of the disclosures that tests might have been contaminated.

The Home Secretary refused to be drawn on which cases could be retried. That review is being carried out by Professor Caddy. Mr Howard sought to avoid the damage to his own reputation by insisting that the mistakes took place under the ministerial responsibility of Michael Portillo, the Secretary of State for Defence.

Mr Howard denied any attempt to avoid telling the Com-

mons. He said the Home Office was first informed of the blunders on 19 April and he was told on 22 April.

He was given a full briefing on 26 April, and consulted the Secretary of State for Defence on the action to take. "I do not see how I could have acted more expeditiously," he said.

The Runciman report in 1993 said there should be continuing review of the effectiveness of the organisation of the public sector forensic science laboratories by the new advisory council; and it should endeavour to ensure that undue competitiveness did not lead to a diminution of standards.

A call for the retrial of John Kinsella, charged with the IRA bombing in St Helens, Merseyside, was made by Alan Simpson, a leader of the left-wing Campaign Group of Labour MPs. He told the Home Secretary that Mr Kinsella had been convicted on the ground that he had handled a holdall which contained bomb making equipment for the IRA.

PATRICIA WYNN DAVIES

No-one was making any predictions yesterday over how many, if any, terrorism convictions could eventually be overturned in the wake of the Government's review.



Target for attack: The Dunston gas works, which was bombed by McNulty

Scant hopes of appeal for bombers caught in act

Some cases, such as those involving being caught red-handed with bomb-making equipment, have little chance of getting off the ground.

Each case would depend on how central the evidence relating to explosives is likely to have been to the conviction, and the strength of other evidence put before the jury.

Convicted prisoners who have not yet applied to appeal to the Court of Appeal would have their cases heard under the new Criminal Appeal Act 1995, which came into force in January and which makes appeals easier to pursue.

A man jailed for 30 years as a top IRA "fixer" could be one of the first to appeal, his solicitor said last night. Nicholas Mullen was convicted in June 1990 for being part of a mainland IRA terrorist cell, linked to a major bomb factory in a flat in Clapham, south London.

His solicitor, Michael Fisher, said Mullen, 42 when he was convicted, had telephoned him from Belmarsh prison asking him to start work on an appeal. This was because part of the evidence against him was the finding of traces of explosives in cars linked to Mullen, he said.

The case of Sean McNulty, jailed for 25 years in 1994 for a seven-week Semtex bombing campaign in north-east Eng-

land, is another one that might find its way to the appeal court. David Hammond, his solicitor, said yesterday that forensic evidence compiled at the Fort Halstead laboratory was the basis of the prosecution's claim that traces of RDX, a component of Semtex, were found on his car and clothing.

The defence claimed in court that McNulty, 26, was not involved in the bombings, and traces of Semtex found at his home had been placed there accidentally by police who had visited the scenes of the bombings. The rest of the evidence was circumstantial.

The court heard evidence about fingerprints at the scene. But Mr Hammond said yesterday the evidence showed that while the fingerprints could have been McNulty's, they could equally well not have been.

The jury heard from his former girlfriend of McNulty's fanatical hatred of the British. One juror was prepared to acquit, resulting in a 10-1 verdict after another juror was dismissed.

"That's no problem," he told the judge with a thumbs-up when he was sentenced. But as Mr Hammond pointed out yesterday, the remark played no part in the case.

McNulty has already lodged an application for leave to ap-



McNulty (above) and Jack: Potential appeal cases



peal to the Court of Appeal. Another potential appellant might be Hugh Jack, sentenced to 20 years in 1995 for conspiring to cause explosions by storing Semtex and other bomb-making equipment. His alleged accomplice, Robert Fryers, was caught with Semtex in a holdall at Staples Corner, north London.

Hurdles on road to overturning convictions

Ready finds that forensic evidence is not as strong as it once was. The C3 division of the Home Office, which is responsible for the analysis of forensic evidence, has been criticised for its handling of evidence in the past.

The other evidence is not as strong as it once was. The C3 division of the Home Office, which is responsible for the analysis of forensic evidence, has been criticised for its handling of evidence in the past.

action be taken. The first decision rests with the Home Secretary. But following a recent Court of Appeal ruling, he must disclose all the evidence and give his reasons in full. However, following the conclusions of the Royal Commission that politicians should play no part in deciding cases of injustice, the Government is setting up an independent body, the Criminal Cases Review Authority, to replace the C3.

Calls for monitoring body were not followed through

HEATHER MILLS
Home Affairs Correspondent

Following the string of grave injustices resulting from serious flaws in scientific evidence, such as Judith Ward, the Birmingham Six and the Maguire family, a key recommendation of the Royal Commission investigating the miscarriages was the establishment of an independent Forensic Science Advisory Council.

Its task would be to monitor and ensure the highest standards, performance, efficiency and achievements of forensic scientists and to inspect both public and private laboratories and their practices.

Arguably, had it been set up in 1993 when the Royal Commission reported, it may have led to the earlier detection of contamination, which had been in the laboratories for more than six years, but was not discovered until two months ago.

But the body was never set up and the laboratory in Sevenoaks, Kent - first run by the Ministry of Defence's Royal Armament Research and Development Establishment (Rarde) and now an agency - was left to regulate itself. Not

only did it use second-hand equipment borrowed from another part of the establishment for the sensitive tests, but staff there never properly cleaned and tested it for contamination in more than six years. Worse, they used the same metal tubes and same rubber bungs for all 500 tests carried out during the period.

Contamination of the machine - a centrifuge, used in nearly all tests for explosives to separate dirt from the samples for analysis - was only discovered by accident, when a scientist at the laboratory spilt some material, cleaned it up, but kept getting "positive results" for explosives, indicating contamination. After a search the contamination was pinpointed to the centrifuge and more specifically to a rubber bung coating pennies to replace. The explosive traces could have been there since 1989 the date the machine was installed, an initial investigation has found.

The laboratory recorded positive traces of the explosives RDX - a component of Semtex - on the hands of Daniel McBrearty, a man living in west London who had been arrested as he went to sign on. He had

no criminal record and there was no other evidence against him to support charges of possessing explosives - and the charges were dropped.

Mr McBrearty and his lawyer, Gareth Peirce, have never been given an explanation for what the prosecution accepted was "innocent contamination" and were blocked from pursuing a civil action because it was not "in the public interest". Ms Peirce said yesterday: "If ever a matter was in the public interest this is."

But she and other lawyers would like the investigation by Professor Brian Caddy, a leading forensic scientist and veteran of miscarriage of justice cases, to go back further than 1989. The same Rarde laboratories, were involved in the testing of the samples which wrongly convicted the Maguire family and Judith Ward, back in 1974 - although then on a different site.

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news

Benefit fraud claims total £2bn a year

NICHOLAS TIMMINS
Public Policy Editor

A central benefits fraud squad and an immediate investigation of all private landlords who receive more than 20 housing benefit payments each week was demanded yesterday by an all-party committee of MPs as part of a "fundamental change of attitude" to benefit fraud.

As many as one in five claims, totalling £2bn a year or more, could be fraudulent, the Commons Social Security Committee said, and countering fraud must be given the same weight by the Cabinet as controlling public expenditure. "There is no point in controlling the total spent if a lot of that money is going out the back door to the wrong people," Frank Field, the Labour committee chairman, said.

The MPs also demanded a task force to establish the extent of fraud over national insurance numbers after evidence that millions of inactive numbers, including 9 million for deceased people, remain in existence. The numbers give access to great swathes of the benefit system.

Housing benefit expenditure in Britain	1995/96 prices £m
1989/90	5,533
1990/91	6,133
1991/92	7,269
1992/93	8,524
1993/94	9,662
1994/95	10,461
1995/96*	10,848
1996/97*	11,178
1997/98*	11,750
1998/99*	12,600

* Projected
* Deflated by GDP deflator
Source: DSS

Their existence could undermine the new benefit-payment card announced yesterday by Peter Lilley, the Secretary of State for Social Security, Mr Field warned. "We could be issuing these new smart cards to people who shouldn't even be getting benefit in the first place and making it even easier for them to undertake their fraud," Mr Lilley, however, insisted that the system would be secure. Citing evidence of systemat-

ic defrauding of the system by private landlords and organised crime using false identities and non-existent claimants — one London borough alone, Haringey, found £750,000 worth of fraudulent claims among just 15 landlords it investigated — the committee said it in no way condoned the large amount of individual claimant fraud. But the most serious frauds "can only be maintained over a lengthy period of time with the active support of the landlord and his or her agent".

The committee makes 40 recommendations, including more exemplary prosecutions, an end of the "finders keepers" rule over benefit savings which leads to local authorities and the Benefits Agency competing rather than co-operating over fraud detection and a new reward system for councils that both detect and prevent fraud. At present prosecutions are rare.

It also wants a review of the Data Protection Act which some investigators say is hampering data-matching schemes, where benefit claims, tax and employment records can be compared.

"There is an incorrect balance between openness, privacy and confidentiality."

Landlords should have to tell councils of all the properties they own, provide their Inland Revenue tax number, and all landlords receiving more than 20 direct payments a week should be investigated, it says.

The all-party assault — with Chris Smith, Labour's social security spokesman, pledging to implement the report and Peter Lilley, announcing new initiatives yesterday — marks a sea-change in attitudes. The report was signed by Jeremy Corbyn, the Labour MP for Islington North and left-wing Campaign Group member, who said he had been convinced by the evidence of "massive landlord-based fraud", and by Kate Hoey, Labour MP for Vauxhall. "There was a time," she said, "when anyone who spoke out against fraud was seen as someone attacking poor people. I reject that."

□ Housing Benefit Fraud: Third Report of the Social Security Committee 1995-96; HMSO; £11.50

300,000 could be cheating system

NICHOLAS TIMMINS

How much benefit fraud is there? The honest answer is that nobody knows.

Up to £2bn — 20 per cent of the budget — on housing benefit alone, according to the select committee, and possibly more. Around £900m, or 8 per cent of the total benefit, involving 300,000 people a year, according to a Department of Social Security study of 5,000 sample cases. A mere £40m from 110,000 cases in terms of money known to be lost in frauds detected in 1994/95, according to Audit Commission figures.

The big figures depend on multiples and some fairly heroic assumptions. In calculating benefit savings made from anti-fraud activities — £220m in 1995/96 — the DSS multiplies the weekly benefit being paid out when a fraud is detected by week 32, a figure based on an

estimate of how long it would have continued. Housing benefit is normally paid for six to twelve months, but can last for up to 60 weeks on a single claim.

For its study — and a similar exercise on income support and unemployment benefit which showed up to £1.4bn or 10 per cent of the budget being lost — the DSS used 52 weeks as the multiplier: an approach which it says was approved by the National Audit Office, the Whitehall spending watchdog. Yesterday, Peter Lilley, the Secretary of State for Social Security, insisted his department's figures remain the best estimate.

The £2bn-or-more figure comes from local authority investigation officers, who say that when they look for fraud — particularly multiple claims by landlords — they find 20, 30 or 40 per cent to be fraudulent: a figure the critics say reflects the type of sample examined.

There are at least 60 ways to defraud housing benefit, which is unique in that landlords can have benefit paid direct to them. Frauds range from individuals failing to declare earnings to organised fraud by landlords and criminal gangs.

Examples the committee heard include:

A landlord in Haringey, north London, claiming for 21 bedsits of which nine were occupied, but where 52 false identities were found, many for non-existent asylum seekers, some of which included current, stolen, national insurance numbers.

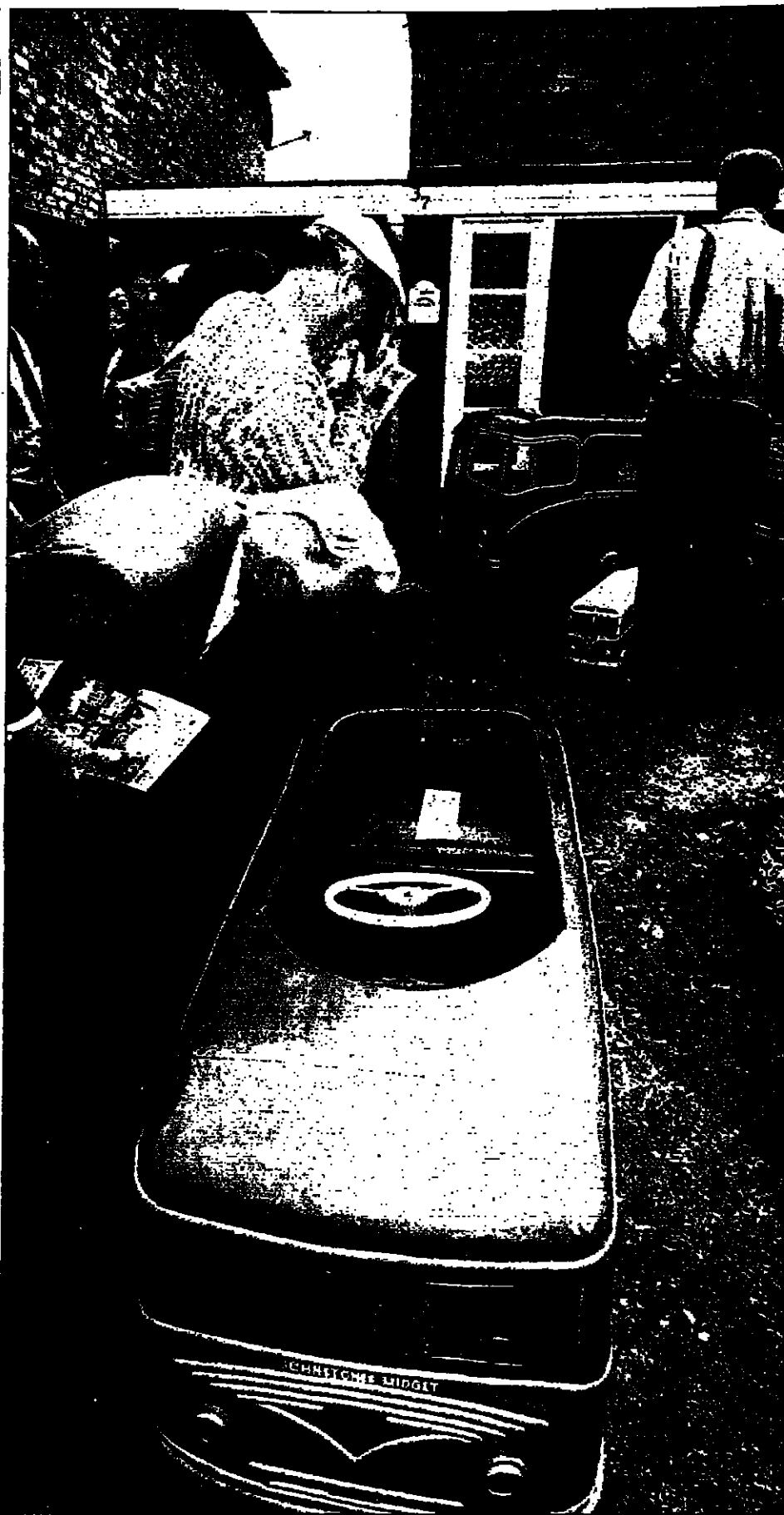
In Kensington and Chelsea, west London, a survey showed eight different companies using the same address. After investigation, 15 per cent of claims were withdrawn. In another case, a landlord received £25,000 by using false documents to claim benefit for tenants he was not housing.

Again in Haringey, a survey of 15 landlords with a total of 1,312 multiple direct payments showed that 278 of the claims, worth over £23,000 a week, were false. At least 11 per cent of each landlord's claims were fraudulent, and in one case two-thirds were. Using the "standard" multiplier of 32 weeks for each false claim detected, almost £750,000 was saved by the exercise.

In Oxford in 1982 in Operation Major, one of the first big housing benefit frauds detected, 254 people were recorded as living in one four bedroom house on the same evening.

Some organised fraudsters have moved out of London as checks have tightened in the big cities. A housing benefit investigator told of cheques being re-directed to other parts of the country, and even abroad. The MPs want the Post Office to stop re-directing this mail.

False papers earn landlord £25,000



Vintage collection: Members of the American Antique Toy Collectors' Society, viewing some of Geoff Price's 6,000 miniature toy buses at his home in Wednesbury, West Midlands, yesterday. The visitors arrived in four Edwardian buses. Photograph: John Potter

Dublin mob kill suspect dealer

ALAN MURDOCH
Dublin

An angry mob of inner-city Dublin residents battered to death an Aids sufferer suspected of drug dealing late on Tuesday in the latest in a series of drug-related assaults and killings this year.

The victim, Joseph Dwyer, 41, was attacked with another man close to the Guinness brewery in James Street. At least 15 men armed with baseball bats took part in the assault. Dwyer, who had served a four-year jail term for drugs offences, died an hour after arriving at the nearby St James Hospital.

His family say he weighed only six stone and would not have been able to run away. Dwyer was a widower whose wife had died of Aids. He had 87p in his pockets when he died. His brother, James, said the pair had been followed and assaulted three times over a distance of a mile by the same crowd. He said Dwyer had been left alone in the first two incidents, when the crowd attacked the younger man.

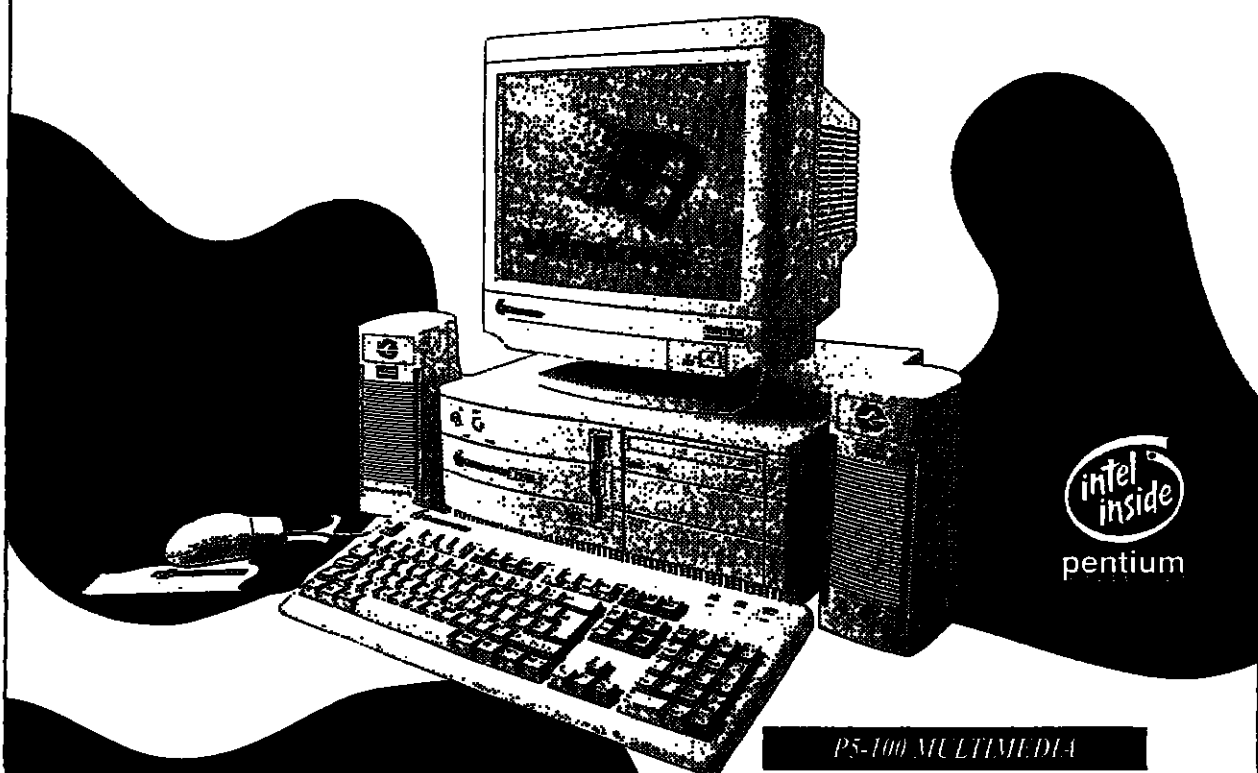
He said the crowd "were in a frenzy, trying to clear the [Dolphin's Barn] area of drug-takers. They hit three or four fellers at the Barn. They hit a young feller of 16 and nearly broke his legs and arms for taking drugs," Mr Dwyer said.

He said the younger man was "battered" outside the Dolphin's Barn ice rink and again at nearby Fatima Mansions. "Then they followed them where they had weapons." The other victim, in his mid-twenties, suffered less serious injuries than Dwyer, and was said to be comfortable in hospital.

Neighbours said that Dwyer's door had been broken down several times by anti-drugs campaigners.

Dealing is now carried on with remarkable openness in the inner city. The trade, and a consequent wave of petty crime ranging from thefts from cars, hand-bag snatchers to tourist muggings, has prompted vigilant activity in the last two years. Four other Dublin men drug dealers have been shot dead recently.

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Firms asked to sponsor rescue of rare species

NICHOLAS SCHOON
Environment Correspondent

The Government is asking private companies to sponsor rescue programmes for British plant and animal species which are rare or in rapid decline.

Volkswagen may wish to give money to hedge conservation, and one of the big drug companies might be persuaded to boost wild populations of the medicinal leech. The idea is not far-fetched. Several companies are already involved in conservation, without the Government having to ask them - Land-Rover, for instance, sponsors butterfly conservation.

The request to the private sector came in the Government's response yesterday to a report from a "biodiversity committee". John Gummer, Secretary of State for the Environment, said the Cabinet fully endorsed costed action plans for saving 116 wildlife species and 14 types of habitat.

The list includes several well-known, much-loved species, such as the otter, red squirrel, dormouse and the skylark, whose numbers have fallen by 50 per cent in a quarter-century.

But there are also mosses, fungi, ferns, lichens and insects which will be known only to keen botanists and zoologists, amateur and professional. Some of these species have not been seen in Britain for decades and may now be extinct here. For these the rescue plans consist of keeping a watching brief to see if they reappear, or survey work to try to rediscover them.

Mr Gummer said a few mil-

'By-pass snail' on list for protection

The rare snail at the centre of the Newbury by-pass row was yesterday included in the new government list of animals and birds requiring special protection.

But the naming of Desmoulin's Whorl Snail in the list of species and natural habitats requiring protection will not affect the by-pass route.

It could mean that the Government will have to set aside a special area near the new road for the Whorl Snail to live in. The total cost of implementing them is put at £16.7m next year and the Government says it should pay for about half of these. Conservationists fear there might merely be a re-arrangement of spending on wildlife conservation.

The plans, a follow-up to the 1992 Rio Earth Summit, came out of a long collaboration between the Government and Britain's leading wildlife conservation bodies including the Royal Society for the Protection of Birds, the World Wide Fund for Nature and the Wildlife

Trust. The Independent has been serialising them for the past five months.

Mr Gummer said the Government would make a progress report every five years, starting in 2000. "Don't think we're going to get there easily," he told a conference at the Natural History Museum, in London. "But it is we who are damaged, we who are less because of what we are destroying [in nature]."

Graham Wynne, head of conservation at the RSPB, said: "This endorsement is an excellent step." But he questioned the support from other government departments such as transport, and was concerned about the lack of any extra state cash.

Dark day as theatre calls in administrators



MARIANNE MACDONALD
Arts Correspondent

The Theatre Royal, Windsor, whose boards have been trodden by such luminaries as Judi Dench, Kate O'Mara, Charles Dancy and Tom Conti, has gone into administration.

The theatre had been a model of financial discipline, surviving previous crises, and even managing until recently to make a profit on ticket sales. But it has been unable to overcome the drop in attendances - from an average 70 per cent capacity in 1994 to 45 per cent now - caused by competition from two new theatres near by. The situation has been exacerbated by debts incurred funding repairs to its 1910 building.

The accountants Price Waterhouse have been brought in as administrators to carry out an urgent review of the 633-seat theatre's financial position and raise funds aimed at helping the company survive long term.

The theatre was established in 1938 by John Counsell, who ran it single-handedly until 1986. He then handed the reins to Mark Piper who has led the company ever since. It has never received a subsidy.

Stage fright: The Edwardian splendour of Windsor's Theatre Royal which has called in administrators. Photograph: John Lawrence

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Tycoon's wife admits to affair

The wife of the millionaire, Owen Oyston, sobbed in court yesterday when she was questioned about a series of affairs her husband admits having with young women.

Vicki Oyston wept as she told Liverpool Crown Court, where Mr Oyston is on trial on rape charges, "I didn't know until the charges were put forward and I saw names of girlfriends."

"I didn't know. Nobody knows at the time. I suspected," she told Helen Grindrod QC, prosecuting.

The case had to be adjourned to allow Mrs Oyston to recover after she became more distressed when Mrs Grindrod asked her about 22-year-old Lisa Rubotham, who told the court yesterday she became pregnant during a two-and-a-half year affair with the tycoon.



Vicki Oyston: Relations with husband 'terrible'

Mr Oyston has admitted a series of affairs with young women, some aged 16 and 17, during the years following his remarriage to Mrs Oyston in 1988 after a divorce six years earlier.

Mrs Grindrod asked her if she knew Mrs Rubotham. Mrs Oyston replied: "No, I have seen her photograph."

Mr Oyston, 62-year-old chairman of Blackpool Football Club, of Cloughton Hall, near Lancaster, denies raping an 18-year-old model at his home in 1989 and raping and indecently assaulting a 16-year-old girl there two years later.

Mrs Oyston told the court that after their remarriage relations between them had been "terrible" because Mr Oyston suspected her of having an affair. She admitted someone else was involved. She said that in the weeks after the remarriage she believed her husband had arranged for Manchester model agency boss, Peter Martin, to have her followed by a private detective.

She said the couple had visited a marriage counsellor because of the problems they were having. "We weren't communicating very well and I had become very depressed," said Mrs Oyston. The trial was adjourned until today, when prosecuting and defence counsel are due to make their closing speeches. Jurors are expected to retire next week.

DAILY POEM

Spinal cord

By Miroslav Holub

Solomon's flute from elastic ivory,
organ pipes of white northern lights,
the song of dolphins and sirens,
the dorsal fin of a blind
cavern fish.

Plaited Christmas loaves back home,
when instead of the mystery of baptism
what occupied me was
irregular Latin verbs.

An anthology of tenderness in Pascal language,

locked as always
into black rings
vertebrae

because otherwise we would
from sheer immaculateness
be paralysed
straight after birth.

Supposed to Fly. Miroslav Holub's latest collection, was first published in Czech in 1994, to mark the 700th anniversary of Holub's native city of Pilsen. It is a surreal recollection of childhood and boyhood, culminating in the heavy Allied air raid of 1945. Strung between are Holub's nature of being and scientific poems, of which this delicate reflection on the backbone is one. *Supposed to Fly*, translated by Ewald Osers, is published by Bloodaxe at £8.95.

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Training policy: Party leader uses launch of unemployment package to make show of unity

Labour offers 'New Deal' to young

JOHN RENTOUL
Political Correspondent

Tony Blair and four of his Shadow Cabinet ministers yesterday launched a "New Deal for a Lost Generation" of young people in an attempt both to unite a fractious high command and to answer criticisms that "new" Labour lacks concrete policies.

Mr Blair led a show of unity behind a programme which largely brought together policies which had already been announced. These included the controversial plans by the shadow Chancellor, Gordon Brown, to cut the dole for young people who refuse training places and to withdraw child benefit from the parents of 16- to 18-year-old students.

The main elements of the "New Deal", which are intended to form part of the pre-election manifesto which will be put to a ballot of all party members in December after consultation over the summer, are:

■ The Youth Training programme to be replaced by Target 2000 to ensure all 19-year-olds have basic skills of literacy, numeracy, computer ability and teamwork by the end of the decade.

■ Every 18- to 25-year-old to be offered four options: full-time education; employment (with a £60-a-week tax subsidy for employers of long-term unemployed young people); and voluntary service and work on a green task force, both of which would pay a "wage" higher than benefits.

■ After six months out of work, young people "have an obligation to avail themselves of one of the options". Mr Brown has made it clear benefit will be cut by 40 per cent for those who refuse.

■ Benefits system to be changed to encourage voluntary work and to allow people to study part-time while claiming.

■ Child benefit for mothers of 16- to 18-year-olds to be "reviewed" as part of overall review of public funding for education and training for under-25s.

The Tories attacked the review of child benefit as a "teenage tax" and the requirement for employers of unqualified 16- to 18-year-olds as "reintroducing their ideas for a compulsory training levy by the back door".

But Don Foster, for the Liberal Democrats, said the package was "more hype than happening", and could not be funded in the long term by a one-off £1bn levy on the privatised utilities.

Yesterday's launch took place in the wake of a bitter struggle between Mr Blair and shadow ministers, especially social security spokesman Chris Smith, over policy documents to be debated at the National Policy Forum in Manchester this weekend.

Mr Smith's policy paper on helping people to move from "welfare into work" has been blocked by Mr Brown because it contained measures which would increase public spending in the short term.

There will be just one policy paper on social security — on the Child Support Agency. This contains the only spending commitment allowed by Mr Brown's Treasury team: an increase of up to £50m a year in public spending on lone mothers. The paper, by Malcolm Wicks, Labour's spokesman on child support, says lone mothers on income support should be allowed to keep some of their benefit if they obtain maintenance payments from the children's fathers.



United: Tony Blair (left) and Gordon Brown at the launch of Labour policies on youth unemployment in London yesterday

Blair dismisses split 'tattle'

Tony Blair, the Labour leader, was forced yesterday to dismiss as "Westminster tattle-tattle" renewed reports of splits at the top of the Labour Party after his deputy, John Prescott, appeared to challenge the authority of Gordon Brown, the shadow Chancellor.

Mr Prescott's speech on Monday followed weekend reports of the two-year feud between Mr Brown and Peter Mandelson, head of Labour's election campaign team and one of Mr Blair's closest confidants.

Some Labour MPs expressed private despair yesterday at the inability of the party leadership to suppress personal differences with the approaching prospect of a Labour Government. "I don't know what Tony can do. There's no point calling them in and giving them a talking-to. He can only hope that they get a fright from the publicity and see sense," one

Tony Blair is right behind the policy line of Gordon Brown, writes John Rentoul

frontbencher said. There are some signs that the exposure of Mr Brown's and Mr Mandelson's differences has had the effect of pushing them together.

It is understood that the two men, who have had a difficult relationship since the Labour leadership election of 1994, met earlier this week to clear the air.

The important issue arising from the turmoil of the past few days is the state of Mr Blair's relationship with Mr Brown. Theirs was one of the most successful partnerships in recent British politics, with Mr Blair in the junior role for the first 10 to 11 years. The relationship survived the trauma of the private struggle between them for the Labour leadership in the days after John Smith's death, two years ago this week. But it

changed irretrievably then, and as adjusted as Mr Blair has energetically asserted his authority over the party.

Some of Mr Brown's opponents in the Labour Party suggest that Mr Blair has been "bounced" by his shadow Chancellor into backing some of his recent controversial initiatives. But this is certainly untrue in both recent cases which have aroused resentment among Labour MPs and party members.

One was Mr Brown's threat to cut benefits for young people who refuse to take up the opportunities a Labour Government would offer, sprung on a Westminster news conference in November. The second was the "review" of child benefit for 16- to 18-year-old students, leaked

to the *Times* and the *Daily Mirror* in advance of Mr Brown's John Smith Memorial Lecture last month.

In both cases, Mr Brown had the full support in advance of the Labour leader.

Mr Blair and Mr Brown united yesterday to deny that there were any splits. Speaking at the launch of policies on youth unemployment, Mr Blair said: "I don't think I have read so much drivel as has been talked about in the last few days. What we have actually witnessed over the last few days is a whole load of fevered nonsense."

Earlier, Mr Brown denied that Mr Prescott's warning against a "super Treasury" under a Labour Government was aimed at curbing his ambitions.

The tensions in the party are likely to continue in the run-up to the election, but all the evidence suggests that Mr Brown's line has Mr Blair's full support.

Besieged Hogg rues change in his fortunes

Warning to Britain's EU partners over maintaining a total ban on British beef won Douglas Hogg, the beleaguered farm minister, his only grudging cheer at the start of a two-day debate on the Common Agricultural Policy.

Tackled repeatedly by shire Tories whose angry farmers lobbied Parliament earlier in the day, Mr Hogg acknowledged the crisis had changed his life. "Until some eight weeks ago I was accustomed to say that now was a particularly fortunate time at which to be the Minister of Agriculture, Fisheries and Food," he said.

But then he and Stephen Dorrell, Secretary of State for Health, had made their statements to the Commons on the likelihood of a link between BSE-contaminated beef products and CJD — the human equivalent of "mad cow" disease.

"From the point of view of the industry, and indeed myself, it seems like eight years," Mr Hogg said. It was, he said, "a beastly business". The Bunsen burner remark was typical Hogg and uttered without conscious irony, but it hardly pleased rural MPs. A succession of MPs aired farmers' complaints that abattoirs were not taking their cattle for slaughter under the 30-month scheme.

Mr Hogg said it was estimated that 4,173 cattle would be slaughtered yesterday and he hoped soon to cull 18,000 a week. But Sir Peter Emery, Tory MP for Honiton, said the information reaching the minister did not correspond with what the farming community was actually experiencing.

With the European Union's veterinary committee meeting in Brussels to consider European Commission proposals for lifting the ban in respect of gelatine, tallow and semen, said he hoped during the debate to learn of the outcome.

Wisely, as it turned out, he added that the meeting was "not the make-or-break event described in some sections of the media". It ended in deadlock.

Promising to pursue the issue at Monday's Council of Ministers meeting, Mr Hogg warned: "A failure to make progress

would seriously complicate the relations that exist between the United Kingdom and other member states."

On the wider issue of reforming the CAP, he said the Government wanted progressive reductions in price support and the creation of an industry "which is ready and able to produce what markets want at prices which those markets can afford".

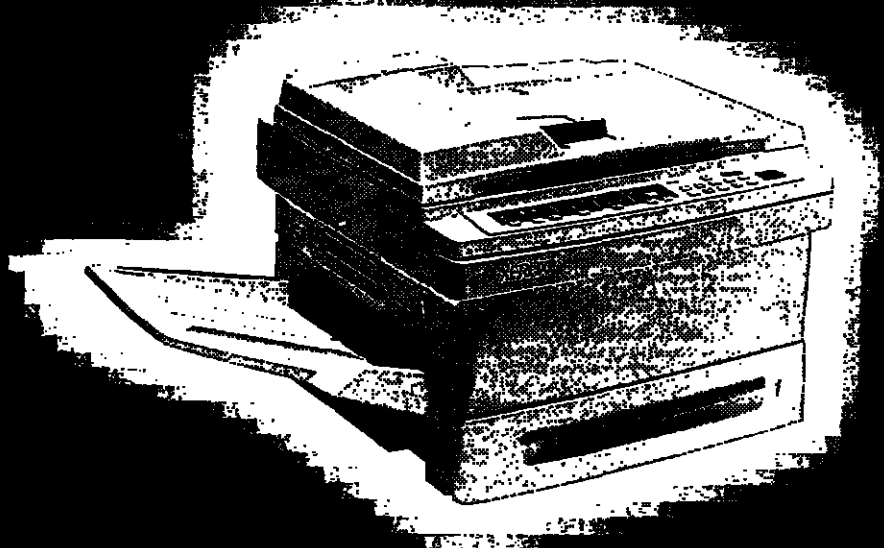
"Progress in securing change will be slow and attended with procrastination and compromise," he said. But when he added that the majority of states were against Britain, Christopher Gill, Tory Euro-sceptic MP for Ludlow, intervened, saying Mr Hogg had demonstrated that any vote by the House would be "entirely symbolic". Whether the Government won or lost, the CAP would continue in its present form.

Inside Parliament

Stephen Goodwin

Ah! Les lats de F

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Britain moving towards 24-hour working culture

GLENDA COOPER

Britain will move to a 24-hour culture in the next millennium with the familiar nine-to-five routine disappearing, according to a new report.

The growth of part-time, temporary and contract work means that more people will be working different shift patterns, Paul Hershey, senior financial analyst with Mintel, the retail analysts, said.

The signs are already here with the success of First Direct's 24-hour telephone banking and branches of Tesco opening 12 hours a day. "People will be working outside the nine-to-five existence as we know it," said Mr Hershey. "There has been a massive growth in temporary and contract workers. There will be more work in early evenings and early mornings as the economy shifts to a 24-hour day... Trains and buses will have to operate on a 24-hour timetable and all areas of working life will be affected."

In the next millennium there will be an increase in jobs for

managers and administrators – particularly in service industries and retailing. Those on the way out are clerical and secretarial jobs, as workers use their own computers. While knowledge of information technology will be crucial for employment chances, by the turn of the century only one in three households will own a computer.

Demographically the workforce will be changing rapidly as the population ages. From 1995-2010 there will be a 28 per cent rise in 55 to 64-year-olds, and a 22 per cent fall in 25 to 34-year-olds. The growth in part-time work means that conventional retirement as we understand it will also disappear. "The flexible workforce will have to adapt to a different working environment," said Mr Hershey. "The over 50s will find they are being courted for their experience and expertise. People may well be doing some sort of work until they enter a nursing home."

But while 70 per cent say they prefer being part of a flexible workforce, managing their own

timetable, depression and insecurity continues to dog the worker in the "nervous Nineties". Four out of five workers believe that a job-for-life no longer exists and a growing number now believes job security is more important than money. And the percentage who are happy with their standard of living in 1995 compared with 1990 has dropped 10 percentage points.

Two-fifths of full-time workers claim the number of hours they work is affecting their social and family life. Exceptions are young people aged 15 to 24, those over 55 and people living in the South-west and Wales.

Health is the greatest worry for adults (61 per cent), with just under half concerned about their finances and one in five fearing redundancy. When asked whether future worries are affecting present lifestyles one-third of adults agreed. "This suggests that the public is slowly recognising that economic risk is shifting away from the state and company to the individual," Mr Hershey said.



Last days: The giant 100-year-old cedar of Lebanon in the churchyard of St Remigius at Roydon, near Diss in Norfolk, is to be cut down this summer because rot caused by grass cuttings, earth and flowers piled against its base has made it a danger. Photograph: Simon Hadley

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Cup final party ends in knifing

A woman was murdered at a party to celebrate Manchester United's FA Cup win which was still going strong three days after the victory.

Elaine Duffy, 34, was stabbed in the chest on Tuesday afternoon during the party at a house in Beswick, Manchester, hosted by National Lottery winner Peter Horsfall. Police were questioning Mr Horsfall, 47, and seven other party-goers yesterday, and waiting for other guests to sober up so they could interview them about the stabbing.

Mr Horsfall, a drainage worker, won £94,000 in the lottery five weeks ago.

Mrs Duffy, married with three children aged 12, 13, and 16, was stabbed three times in the chest with a kitchen knife.

One witness said: "Pete [Horsfall] came out of his house in a tremendous panic screaming at us to call an ambulance. I went over to see what had

happened and I could see the women's head on the settee and all these lads round her."

Paramedics and police arrived to find Mrs Duffy dying from chest wounds inside the house. She died later at Manchester Royal Infirmary.

A neighbour said: "Pete and at least 10 people must have been taken away by police but we heard the killer had already run off."

She added: "Pete had won the lottery just five weeks ago but was not intent spending the money. He just used to invite people round for drinks because he is that kind of man."

"There had never been any trouble at his home before." The neighbour went on: "Pete is a thoroughly decent bloke who won the lottery five weeks ago then handed the winnings straight over to his kids."

Eight men have been arrested and held by police in connection with the murder.

Baby in freezer 'died of neglect'

The new-born baby found dead in a freezer at the home of the former Rank chief executive's daughter Emma Gifford may have died from neglect, an inquest was told yesterday.

The baby's body, wrapped in a carrier bag, was discovered at Ms Gifford's home in Orslog Gardens, Kensington, west London, on 8 May.

Coroner's officer Keith Rees told the hearing at Westminster Coroner's Court: "A male infant, believed to have been born on about April 5, was removed from a freezer."

"The identification was done by his mother, Emma Gifford, who resided at the address."

Pathologist Dr Ian West said he had been unable to establish the exact cause of death. "The precise cause of death is not ascertained because the autopsy findings are largely negative. It was probably lack of care or obstruction of the airways. These are the two major causes."

The coroner, Dr Paul Knapman, adjourned the inquest until 29 May pending further police inquiries.

No member of the child's family attended the brief hearing and Ms Gifford, 20, is believed to be currently receiving treatment in hospital.

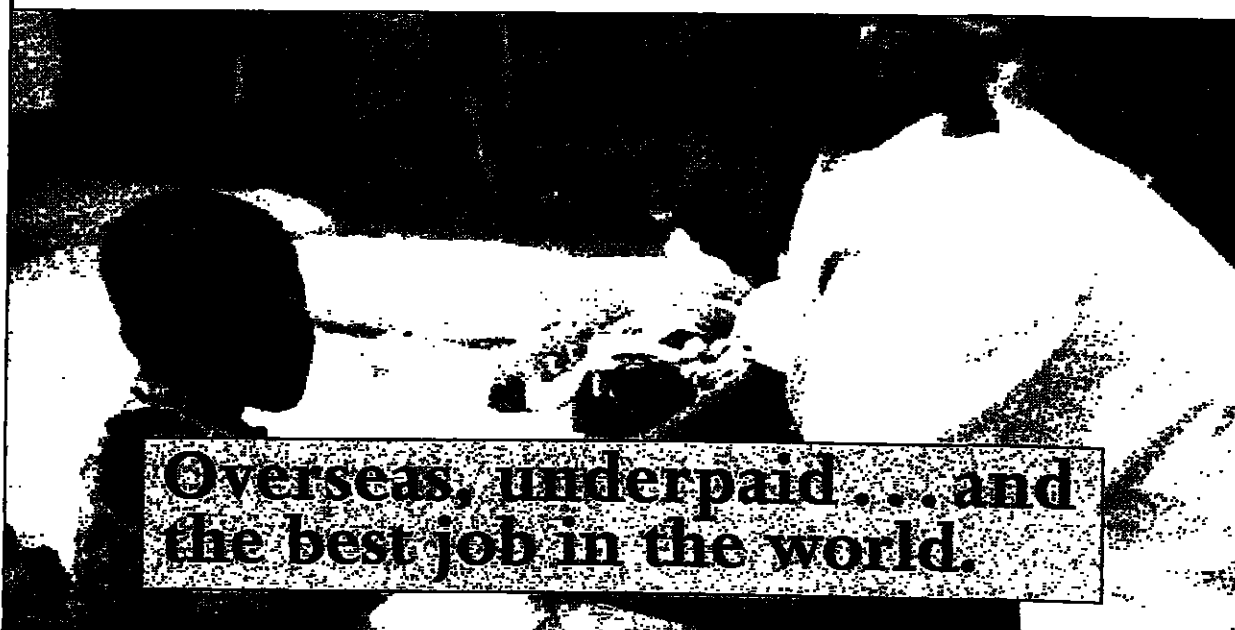
The baby, who was found by Ms Gifford's brother, Kris, is believed to have died about two hours after being born.

Police are reportedly attempting to trace Ms Gifford's former boyfriend, Joseph Ernst, an architecture student at Edinburgh University, who is currently on holiday in Spain. Their relationship ended in March.

Her father, Michael Gifford, retired last month as chief executive of the Rank Leisure Organisation. Mr Gifford, 60, of Little Chart, Kent, has refused to comment about the death.

Ms Gifford is believed to be receiving psychiatric treatment.

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New Indian PM tipped to do a vanishing act

TIM MCGIRK
New Delhi

India is now a country where everybody wants to become Prime Minister but nobody can hold the job. The record for the shortest stay in office may soon belong to Atal Behari Vajpayee, leader of the right-wing Hindu party, who was appointed Prime Minister yesterday and given until 31 May to prove his majority. Mr Vajpayee's premiership may be doomed to last no longer.

The latest elections have left India hamstrung, without a majority party. Mr Vajpayee's Bharatiya Janata Party (BJP), the largest now in parliament, was given first crack at forming the new government. But the BJP, with its brand of communal politics, has many enemies; nearly all other parties have rallied against it, and although Mr Vajpayee is a poet of persuasive oratorical power, he probably cannot recruit the necessary MPs to buttress his minority government. The BJP and its Hindu revivalist allies need to find 69 others for a majority in the Lok Sabha.

At party headquarters in New Delhi, a gaudy pink chariot with painted horses is parked under the trees. The BJP leaders had ridden around in it like Hindu gods during the campaign but Mr Vajpayee last night seemed terribly mortal, bowed by the ungainly task of trying to forge a lasting government with too few men. Mr Vajpayee, who is in his sixties, looked weary rather than jubilant as he shuffled up to the stage, dwarfed by bodyguards. He told supporters: "It's true we didn't get a clear majority but the vote was a mandate against the Congress Party, which has suffered a devastating defeat." In the next two weeks the Hindu nationalists will court MPs



Vajpayee: Has till 31 May to build a majority

from smaller regional parties with promises of portfolios - 60 cabinet posts are to be dished out. Cabinet appointments for two BJP allies, the Akali Dal and the Haryana Vikas Party, are expected today. The BJP is also trying to lure in the regional parties by promising to give states greater freedom from New Delhi's steady grip.

A post-election survey identified Mr Vajpayee as the most popular choice for prime minister but his party is less popular than he is, for the BJP has been blamed in recent years for stirring up hatred between the Hindu majority and India's 120 million Muslims.

Mr Vajpayee suffered a blow

State of the parties
BJP and allies 195
Congress and allies 138
NF-LF 117
Others 84
Total seats declared 534

There are 543 seats in total. Counting in nine constituencies will take place in May/June. The President appoints the remaining two members.

yesterday when the regional parties united to throw their votes behind the BJP's main rival for power, the National Front-Left Front (NF-LF), a quarrelsome alliance of Communists, regional parties and parties representing Muslims and lower-caste Hindus.

The NF-LF's disarray was evident in that it took it three days to choose a leader. Eventually, it rallied behind HD Deve Gowda, Chief Minister of Karnataka state. Asked to comment on his selection as a possible Prime Minister, Mr Gowda replied cryptically: "I've known happier sorrow in my life. I take sorrow and joy spontaneously."

But was it not for his oracular witticisms that Mr Gowda was chosen: he was a compromise choice acceptable to the Congress Party, which yesterday pledged "unconditional support" to a possible NF-LF government led by Mr Gowda.

A moderate, he is likely to leave untampered the economic reforms started by PV Narasimha Rao's Congress government. Still, Congress support is likely to be anything but unconditional. It is refusing to join the NF-LF as coalition partners, preferring to support it from the outside. Mr Rao is also wary of hitching his Congress Party to a government that may be as short-lived as the BJP's.

The NF-LF leaders last night demanded the President reverse his choice of Mr Vajpayee to lead the next government. "This has opened the door for horse-trading between now and 31 May," said an NF-LF spokesman. In the past, during key no-confidence votes, MPs who developed illnesses and missed parliament were later alleged to have taken bribes. Political observers will be watching who, on 31 May, catches a cold. *Leading article, page 20*

Defenders of the faith get a kick out of karate



Habit-forming: Sister Marie, of St Anne's Roman Catholic convent, Madras, squares up to an instructor acting as an assailant while she learns karate. St Anne's introduced the course after some of the nuns were threatened in nearby villages. Photograph: AP

Death of a snake-charmer stuns Israel

PATRICK COCKBURN
Jerusalem

As Israel's most famous snake-charmer, Ya'acov Sela drew large audiences on television thanks to his deft handling of poisonous reptiles. But when his body turned up in a shallow grave in the Golan Heights at the end of last week, police found that he had not died from snake bite but had been shot to death with a pistol.

Sela, 34, disappeared on 16

April, when most Israelis were absorbed by Israel's intervention in Lebanon. His girlfriend said he had gone to the United States and that she and her son had spoken to him there by phone. His family and friends thought something must have happened to him, because he had not told them he was going away. Nobody had seen the red Citroen he normally drove. The fate of Sela, a man made famous in Israel for charming and catching snakes, and who was often called in by police and conservation groups, only became clear last Thursday.

A group of pupils from school near Haifa were doing national service in the steep hills

of southern Golan, near the Syrian border, when they saw a hand sticking out of the earth. They called the police who carefully removed the soil to reveal a partly decomposed body, later identified as Sela.

Even after the discovery of the body, Sela's girlfriend, Rina Hirschtig, 42, stuck to her story that she and her son Harel, 21, had received telephone calls from him in the US.

She said: "If God forbid, it's him, I'm very upset because I loved him very much, but we have no connection with the matter." Despite her denials, police arrested Mrs Hirschtig, her son and his friend, Daniel Koenig, 21, as murder suspects.

The breakthrough in the case came at the weekend, when an unnamed juvenile went to the police and allegedly implicated the three who were by then under arrest.

With his help, they finally found Sela's missing Citroen, which they had been looking for in northern Israel, in the area where the body was found, in the industrial area of Kfar Sava, a town outside Tel Aviv.

They also confiscated a pistol belonging to Mrs Hirschtig, which they believe was used to kill him on the night he disappeared in April. Mr Koenig has reportedly taken part in a police reconstruction of the murder.

Police believe money was the motive behind the killing. Sela had done well out of his snake-charming and his status as a celebrity. When he visited the kibbutz where his girlfriend lived, her son allegedly took his chequebook and wrote out cheques worth 50,000 shekels (£11,000).

Sela discovered the theft and, after a dispute, thought the Hirschtigs had agreed to reimburse him. Exactly what happened next is unclear, but Sela was apparently lured to his car and shot and killed somewhere in northern Israel. His body was buried in the Golan, where his killers presumably thought it would not be discovered.

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Exercise Purple Star: Attack ends with the largest parachute drop since Second World War. Christopher Bellamy reports

US, Britain jump into a new age of warfare

British and US paratroops were due to make the biggest military parachute drop since the Second World War this morning, plunging from Hercules transport planes through 300ft of darkness to complete the defeat of the Koronan forces which invaded Kartuna earlier this year. Nearly 2,000 troops of the British 6th Airborne Brigade and 4,000 Americans from 82nd Airborne Division in 144 aircraft launched the massive assault at 2.30am.

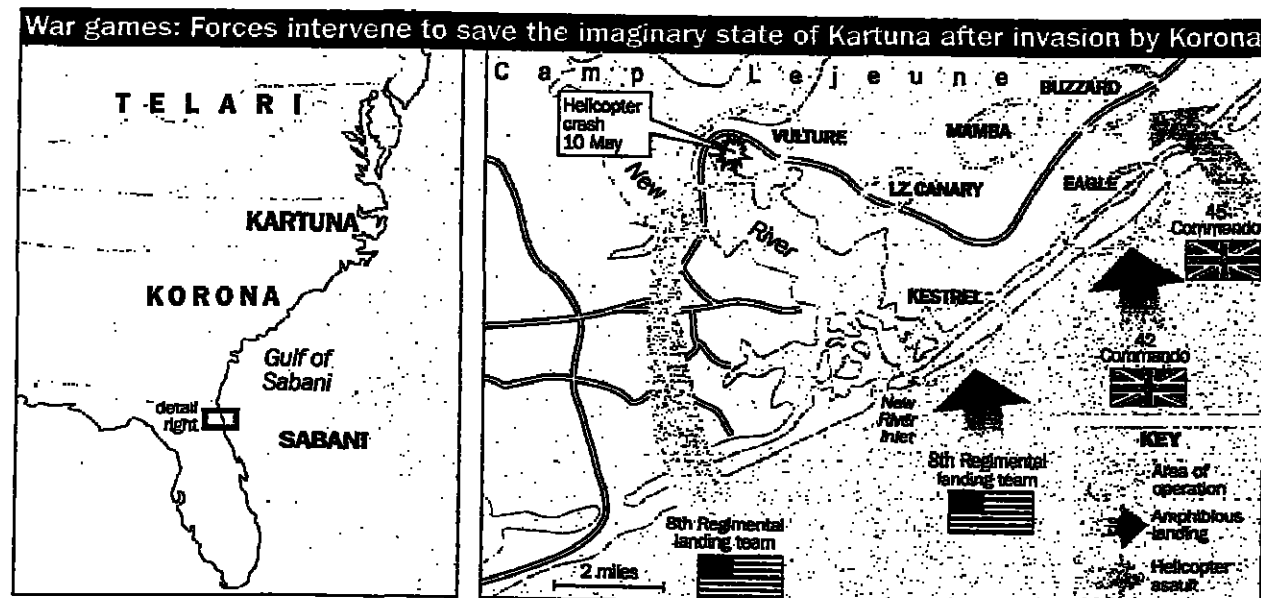
There are no such places as Kartuna or Korona. The assault on Fort Bragg, North Carolina, in this fictitious war was the climax of exercise "Purple Star", the biggest US-British combined deployment since the Gulf War. Although it is fictitious, the exercise more closely resembles the sort of operation which might take place than most military exercises over the past half-century.

The British component included the First and Second

Battalions of the Parachute Regiment, parachute-trained artillery with eight 105mm guns, and some Gurkhas. The Gurkhas have been part of 5th Airborne Brigade for 20 years, but have recently been more closely integrated with the Paras to make up a shortfall in recruiting.

The airborne assault underlined the fact that military planners believe paratroops can be decisive in the new strategic environment. Although the continued need for paratroops has been questioned, the ability to seize an objective – particularly an airfield – out of range of land- or sea-based helicopters or where they cannot land safely has probably become more crucial.

A prime aim of Purple Star is to practise, and to prove the concept of a combined joint task force (CJTF) acting on behalf of the United Nations. "Combined" means international; "joint" means bringing together



Crisis countdown

- Koronan forces occupy northern Kartuna
- UN Security Council imposes sanctions and deadline for withdrawal
- Religious and civil unrest, government instability and Koronan-sponsored rebel groups active in Kartuna
- Foreign citizens and "vital interests" (oil?) in the region are threatened
- UN Security Council authorises use of "all necessary means" to force Korona to terminate its aggression inside Kartuna

- Telari allows basing rights for US-UK coalition acting in support of UN mandate; Sabani affirms its neutrality
- 14 April. Combined Joint Task Force deploys to area
- 30 April. Naval forces assemble off Kartuna coast
- 9/10 May. Amphibious assault. Coalition forces land in Kartuna and move inland.
- 15/16 May. Airborne assault completes defeat of Korona forces and opens airfield for relief supplies.

land, sea and air forces. For the British, the exercise is the final certification of the new joint rapid deployment force, which can draw on the 5th Airborne and 3rd Commando Brigades and other quick reaction forces.

In future, Nato member states could use the framework of CJTFs to co-operate outside the alliance's formal structures, using Nato and US assets such as airlift, intelligence and communications without US participation. This could be done under the aegis of the Western

European Union, a 10-nation defence grouping which links both to Nato and the European Union. But that is still in the future. The theory of CJTFs acting outside Nato may have been around for three years, but only yesterday did alliance ambassadors in Brussels clear the last procedural obstacles to allow them to go ahead in practice.

Purple Star gives a taste of the future. The exercise has been designed to mimic a typical CJTF mission. Under the scenario, Koronan forces have

occupied the northern part of Kartuna, and the UN Security Council has authorised "all necessary means" to force Korona to terminate its aggression. On 15 April the joint task force began moving towards the area, assembling off the coast by the end of the month. Neighbouring Telari allowed the CJTF to base forces on its territory, but Sabani has remained neutral.

Some of this might sound familiar to those who remember the Gulf War, and that is no coincidence. Kartuna has many of the characteristics of a small,

oil-rich state. And Korona bears a striking resemblance to Iran. In the control room on board HMS Fearless last week, Commodore Paul Caster, head of the naval force which was assembling to put Brigadier Tony Milton's 3rd Commando Brigade ashore, outlined the "threat". Top of the list were "Boghammers" – fast motor-boats like those used by Iranian Revolutionary Guards in the Iran-Iraq war. And there were also anti-ship missiles, mounted on trucks, like the Iranian Silkworms, and MiG-21 and

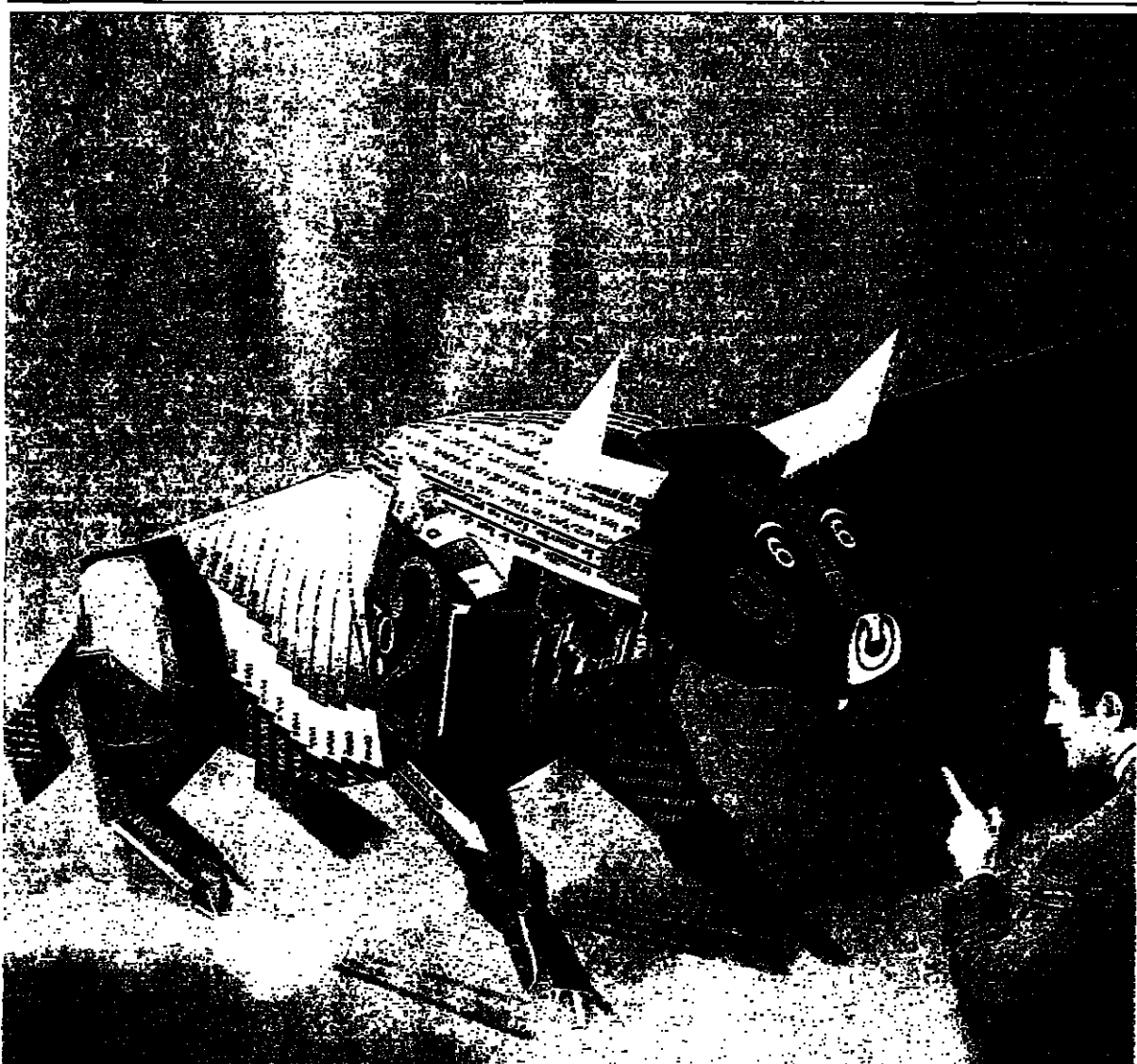


Seizure: An amphibious assault vehicle landing during Purple Star. Photograph: Christopher Bellamy

MiG-23 aircraft. "And mines," said Brigadier Milton. "Remember Kuwait."

The amphibious landings took place on the night of 9 May, although reconnaissance parties were ashore well before. This part of the exercise also included an Eustace-style tactical air landing operation, in which about 100 troops seized the airfield at Camp Davis. The idea is that Hercules transport planes land and disgorge commandos and light armoured vehicles, which seize the airfield ready for follow-on troops.

It was at this point that the exercise was interrupted by tragedy, when 14 US servicemen were killed in a helicopter crash as the landings were taking place on the North Carolina coast. The landings continued, but air operations in the crash area were suspended. The accident has acted as a grim reminder that even peace-time exercises are dangerous. However, to attempt such an operation for real without having practiced it would undoubtedly cause many more casualties.



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Trade war looms as US targets Chinese goods

RUPERT CORNWELL
Washington

The United States yesterday targeted \$3bn (£1.9bn) of Chinese textiles, electronic goods and other products for punitive sanctions, setting in motion a potentially massive trade war between the two countries. Within minutes of the announcement in Washington, the Peking government hit back with retaliatory sanctions of its own against US exports to China.

Under measures set out by the acting US Trade Representative, Charlene Barshefsky, a host of Chinese products including \$750m of silks and \$500m of fax machines, cellular phones and other consumer electronic products will be hit by 100 per cent supplementary import tariffs, after a 30-day "comment period" expires on 17 June.

The move – and the instant response from Peking – will further complicate relations between the US and the increasingly assertive Peking regime, already bedevilled by a row over Chinese nuclear equipment exports to Pakistan, tensions over Taiwan and long-standing US complaints at China's human rights record.

Ms Barshefsky said the action should come as "no surprise". China had been given "every reasonable opportunity" to fulfil its 1995 undertakings to stamp out piracy of US computer software, CDs, films and other copyrighted material. But 22 months of effort had proved fruitless, and the US had no choice but to go ahead with sanctions.

She said China had been asked to act in four areas: to clamp down on pirated CDs and CD-Roms, to stiffen its anti-piracy laws, to protect US intellectual property at its borders, and to improve market access for US software, records and films.

Despite "some important steps", among them an effort

to clean up the market in Shanghai, the root problem – Chinese factories which manufactured the pirated material – had not been tackled.

In Hong Kong, Latin America and elsewhere, software packages costing \$10,000 in the United States could be bought for \$5, Ms Barshefsky claimed. In 1995 alone, China exported 50 million pirated CDs to the rest of the world.

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مكتبة الامير

Rock's colonial status tops election agenda

National identity vies with economic survival, writes Elizabeth Nash in Gibraltar

There are not many labour leaders who go to the housing estates at election time and wow the masses with details of United Nations resolutions on decolonisation. But Gibraltar's Chief Minister, Joe Bossano, seeking a third term in general elections today, promises to end the Rock's colonial status and negotiate a "free association" with Britain by 2000.

His message plays well from the back of a truck in Laguna estate, a grim housing complex where scarlet and red flags of his ruling Gibraltar Socialist Labour Party flutter from the windows.

The fine detail may escape some listeners, but the subtext is clear: there will be no concession to Spain. As the campaign stickers on youngsters' baseball caps proclaim: "Give Spain no Hope."

Hard upon Mr Bossano's heels is an increasingly confident conservative opposition that wants to mend fences with Madrid and warm up relations with Britain. The Gibraltar Social Democrats (GSD), led by the lawyer, Peter Caruana, condemn Mr Bossano's headline message as a dead end that promises only isolation and ruin for the Gibraltarian economy.

Mr Caruana says that if elected, he would be prepared to talk to Spain "on matters of mutual co-operation and to try to reduce tensions and hostility". But he insists that discussion of sovereignty would remain taboo. "I can assure you that there will be absolutely no negotiations on the question of sovereignty. Sovereignty is simply not negotiable," he told a street rally this week.

Mr Bossano's view is that any kind of talks with Madrid would be a step on a slippery slope that could lead to surrender of sovereignty. Spain must make the first move, he insisted yesterday. "We aren't prepared to talk to Spain until they stop harassing us, taking pot-shots at us from their bedroom window and trying to bring our economy down."

Mr Bossano is ready to take

on Spain's new conservative government, which he thinks will be tougher than its predecessor. Spain's new Foreign Minister, Abel Matutes, recently warned Gibraltar of further border restrictions unless drugs and tobacco smuggling were stamped out. "This is an ominous threat," Mr Bossano said yesterday. "I anticipate they will give Britain a hard time and start thumping the table."

Today's close contest has divided Gibraltar's harmonious

not flourishing. His clampdown last year on illegal launches smuggling tobacco meant a loss of livelihood for many. But many who welcomed that move are fed up with Spanish border controls hampering their freedom of movement and dampening trade and tourism.

The opposition, strongly supported by the business community, takes a pragmatic approach. It wants to promote friendly relations with Britain and to end hostility with Spain as the route to prosperity. The GSD's deputy leader, Peter Montegriffo, says: "Our policy is to engage Spain in dialogue that would benefit us and the Spanish side of the border. We want the normalisation and strengthening of relations, without Spain believing it is making advances towards sovereignty."

Mr Bossano tried to promote Gibraltar as an offshore financial services sector as a way of developing economic self-sufficiency and effective autonomy from both Britain and Spain. But this has not been a success. Yesterday he admitted "the finance centre has not delivered the profits we expected".

He blames Britain for not allowing Gibraltar to sell its services within the European Union, but Mr Montegriffo says that the finance centre option was never a viable economic strategy to fill the void left by Britain's closure of the Ministry of Defence naval dockyard. Prosperity, he says, depends on good relations with Britain. "Why should we antagonise the best friend we have?" he asks.

"I have been a negotiator all my life. We're cheersed off with Britain and Spain trying to devise a solution for us," Mr Bossano said. "We're coming up with solutions of our own. I'm seeking a mandate for decolonisation and free association under the British crown like that enjoyed by the Isle of Man."

The investigation is poor publicity for Club Med at a time when it is trying to revamp its

image. It is also a fighting a race-discrimination case in the United States.

Thirty people died and 26 were injured in the accident. An association formed by victims and relatives said that the aircraft, chartered from Air Senegal to transfer guests from one Club Med site to another, was not airworthy and has accused Club Med of disregarding elementary safety regulations.

In February they sent an open letter to MPs and French officials calling for those responsible to be brought to book.

According to *L'Express* magazine, they said complaints from Club Med guests about the age and dilapidation of the aircraft were ignored. They also said the pilot, who died in the crash, had reached the age-limit for flying commercial planes, was deaf, short-sighted and had been banned from flying in the United States after two previous accidents.

A person placed under judicial investigation must face questions from a judge but it does not automatically mean that charges will be brought.

After 10 days at sea 4,000 Liberians fleeing civil war were allowed ashore at Takoradi, Ghana, from the freighter *Bulk Challenge*. Photograph: David Guttenfelder/AP

Snails on the rails puts train off its track

Rabat — A horde of snails swarmed onto the rails of the Casablanca-Fez line, halting an express train that lost its grip on the slime, a Moroccan newspaper reported. The incident occurred last weekend near Meknes, 140km (87 miles) north of the capital Rabat, blocking the track for several hours. The paper said heavy rain coaxed the snails from under cover and that, mysteriously, they often congregated at that spot on the railway line.

War criminal beat prisoners

Rome — Witnesses at the war crimes trial of former SS captain Erich Priebke said he took part in brutal beatings at the Gestapo headquarters in Rome, "the most terrifying place" in the city during Nazi occupation. "It was him. He broke my nose," former partisan Riccardo Mancini said. He was one of four witnesses who testified to show Priebke was a top commander of the SS. Priebke, 82, is accused of helping to organise the massacre of 335 Italian men and boys on 24 March, 1944.

Deal may be close on Iraq oil sales

New York — The outcome of negotiations between Iraq and the United Nations to allow Baghdad to export limited quantities of oil to pay for food and medicine rests with the Iraqi government, writes David Uggelstad.

My impression is that these talks have reached a satisfactory outcome and they're waiting for a response from Baghdad." Britain's ambassador to the UN, Sir John Weston, commented. Iraq has been unable to sell its oil under strict sanctions imposed on it after its 1990 invasion of Kuwait. The new arrangement would allow it to export \$2bn (£1.3bn) of oil over six months. Baghdad may yet balk at the deal because of stringent conditions over the distribution of the supplies.

Death toll in Bangladesh tops 500

Barabhaba — Rescue teams searched for hundreds of missing people as the death toll from a tornado which hit northern Bangladesh two days ago topped the 500 mark. With hundreds fighting for their lives in overcrowded hospitals, officials warned the death toll could pass 1,000. More than 32,000 people were injured by flying debris.

On track for EMU. Business, page 22

Agencies

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international

Albanian elections: Two parties vie for control, but neither can cast off the country's brutal past

Sinister shadow looms over a brave new world

ANDREW GUMBEL
Tirana

He has been dead for more than 10 years. He has been universally rejected and reviled. And yet Enver Hoxha, Albania's idiosyncratic, repressive and incurably paranoid Stalinist dictator, still casts a sinister shadow over the affairs of his country as it prepares for its third general election since the advent of democracy five years ago.

One overwhelming ideological question has dominated this election campaign: which side represents a true commitment to democratic change and which represents an ominous return to the totalitarian culture of the past?

The ruling Democratic Party, which was born as an anti-Communist front, maintains it is the beacon of modernity, but its leader, Sali Berisha, was a secretary of Hoxha's Party of Labour for 26 years and has shown disturbing signs of authoritarian rule in the four years since he swept to power. The opposition Socialists, on the other hand, are nothing less than the successor movement to the Party of Labour. They have held on to the old party's assets and maintained much of its structure. In policy, however, they have swung a long way towards the mainstream democratic left and claim that a massive membership drive has renewed them from the bottom up.

The insults have been flying in spectacular fashion. The opposition accuses President Berisha of being "a populist and an autocrat, like Hoxha", while the Democratic Party says it is fighting against a "Red Front": it describes the Socialists as "the

party of Enver Hoxha" and claims the Sigurimi secret police service is still alive, acting as "a cancer in Albanian life".

The issue is a crucial one in a country struggling to put itself back on the map after 50 years of brutal isolationism, and one regarded with uncommon outside interest because of Albania's key strategic position in the Balkans. It was impossible under the old system to get ahead without personal compromise. Nearly everyone now on the threshold of power has been tainted by the past: what is not clear is how far individuals have gone to put their past behind them.

The Socialists have the most obvious image problem. The party's acting leader, Servet Pallumbi, is a former professor of Marxism-Leninism who cuts a poor figure on the international stage and counts among his close colleagues former officials of the Communist regime.

On the other hand, Mr Pallumbi is only a stop-gap figure — the real leader, the far more appealing Fatos Nano, was jailed by President Berisha three years ago — and beneath him are plenty of genuine reformers who are pushing an open, free-market, pro-European programme. It seems inconceivable, given Albania's massive dependence on foreign aid, that a Socialist government would put back the clock; in fact, four years in opposition seems to have made the party at least a little more respectful of political pluralism.

The Democratic Party has made much of the Communist scare during its campaign, but the tactic could prove counterproductive because President Berisha's men are suspect for

their own reasons. The Democratic Party has its own old faces, including a Communist-era ambassador to Vietnam and France and a former director of European affairs at the Foreign Ministry. Its election campaign, aimed at floating voters, has in some ways been more socialist than the Socialists — advocating higher state wages and pensions and controls on foreign trade.

More seriously, the ruling party has played politics with the past as an excuse to stifle opponents. Two laws passed last autumn bar former Communist officials and ex-secret police agents from public office until 2002. The legislation seems reasonable in intent, but in practice it enables the government to disqualify anyone from public life without right of reply. Secret police files are reviewed by a seven-man commission appointed by the ruling party, which meets behind closed doors and consults nobody.

Anyone fingered as a former Sigurimi agent is given just one chance at self-defence, which involves going to the High Court. But the High Court, too, is packed with ruling-party nominees, and has yet to do more than rubber-stamp the commission's work.

One of the dozens of politicians barred from running for office, Prec Zogaj, was a prominent anti-Communist campaigner while the regime was in power and served briefly as Culture Minister under President Berisha. He admits signing a secret police document when he was 17, but says he never spied on anyone.

Mr Zogaj believes he is being punished for breaking with the Democratic Party. He took documents in his defence to the



Cyclists in Tirana riding past the statue of the former dictator, Enver Hoxha; he died 10 years ago, but Albanians fear a return to hardline values

Photograph: Reuters

High Court, but his appeal was turned down three days after his 15-minute hearing with no explanation.

"Berisha is stirring up the past for political reasons," he said. "This is a very dangerous path ... We must look to the future, not remain hostage to what has gone before."

The tenor of the election campaign fills ordinary Albanians with dread. Typically, they want to see the Democratic Party go, but do not fully trust the Socialists either. Many are hoping for a close result, forcing one party or the other into coalition with the political centre.

But even that outcome is

fraught with uncertainties, because Albania has no tradition of coalition politics and shows scant signs of reasonable cross-party dialogue. This is no doubt a symptom of the political culture the country has inherited from the past, a past whose poison is eating away at progress towards true democracy.

Peking pours cold water on public smokers

TERESA POOLE
Peking

One could tell by the atmosphere that something very serious had happened overnight. Yesterday groups of men stood furtively on street corners, under a pall of melancholy. Strategically chosen shop stalls had been abandoned. And inside the Number 1 Department Store and the city's main railway stations, dragoons of inspectors were poised to pounce.

So began Day Zero for Peking's smokers. From now on, the capital's nicotine-imbibers are not allowed to light up in hospitals, schools and colleges, public meeting halls, cinemas, music and video halls, sports stadiums, museums, shops, on public transport or in waiting rooms. Those who do risk a fine of 10 yuan (80 pence).

In the Haidian district alone yesterday, the Hygiene Bureau had despatched 5,000 "enforcers" on to the streets. Such were the first indications that life as it had unhealthily been known by Pekingers had come to an abrupt end, especially for most of the city's males.

The front page of one of Peking's main newspapers yesterday spelled out the hard facts: "The first day that smoking is forbidden in public places," it heralded. Banners strung around the city reminded everyone of just what was at stake: "Maintain public morality, forbidden to smoke in public."

Peking — which will host the 1997 10th World Conference on Tobacco or Health — has thus joined the list of 26 Chinese cities trying to impose restrictions on public smoking. In a culture where no cadre member can address weighty matters without a cigarette in his hand and a fog around his head, the time had come for the government to raise its head above the clouds of stale smoke.

Smoking is still permitted on the streets, in restaurants, in government offices and at

home. But a massive public education programme is under way across the city, part of a national campaign to avert a future epidemic in lung cancers, respiratory diseases, and smoking-related heart problems.

As smoking challenges go, China has the world's biggest. Surveys indicate that 70 per cent of men in China over the age of 25 smoke. Up to 350 million Chinese smokers puff their way through 1,700 billion cigarettes a year and foreign companies are scrambling to grab a share of the world's last great tobacco market. The number of women



Last gasp: Smokers can still light up on the street

smokers is increasing, and an alarming number of children and teenagers start smoking at school. The media gave prominence earlier this year to a 19-year-old youth who smoked 100 cigarettes for a bet, then died of a heart attack.

The present campaign has a certain Chinese flavour: in a Peking park last weekend, a doctor injected cigarette smoke-infused water into a mouse, whose death throes were held up for the crowd as a warning.

Yan Dongming, a salesman in a noodle factory, said he had been smoking for almost half his 33 years, but a smoker's life was no longer easy. "Whenever I cross the street," he said, "people cry out and say, 'Beat him'. Because I am a smoker."

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Old Man keeps hold over Dominican poll

PHIL DAVISON
Santo Domingo

In the Dominican Republic, everybody has a nickname. In today's presidential elections, since "the Old Man" is not running, voters will choose between "the Black Man, the Fat Man and the Lion".

Whoever wins, few doubt that "el Viejo" (the little Old man), the 89-year-old long-time president Joaquín Balaguer, will still be a force to be reckoned with.

Mr Balaguer may be blind and almost deaf but he is certainly not dumb. Forty-eight hours before the elections, he reshuffled the army and police leadership, installing hard-liners fiercely loyal to him. Appointed National Police chief was long-retired army Major-General Enrique Pérez y Pérez, a name which still puts shivers up the spines of Dominican leftists.

Maj-Gen Pérez y Pérez, a former military attaché in London, headed the police during a previous Balaguer government in the seventies, an era of executions and "disappearances" by death squads widely believed to have been tied to the police.

In case anyone doubted the significance of Mr Balaguer's move, Maj-Gen Pérez y Pérez,

after being sworn in on Tuesday, said: "so long as Dr. Balaguer is alive, so long as he can put his capacities, experience and efforts at the service of the fatherland, he should continue directing the destiny of the country".

Mr Balaguer named as his army chief Maj-Gen. Hernán Disla González, previously head of a special presidential guard.

Opposition candidates regard the appointments as an act of extreme intimidation on the eve of a vote which is seen here as something akin to a revolution. It is the first time in three decades that Mr Balaguer is not on the ballot. Formerly the right-hand man of dictator Gen Rafael Trujillo, he has ruled most of the time since the US invaded the Dominican Republic, fearing "another Cuba", to end a civil war in 1965.

"He's trying to instill fear of repression and abuse but we will not be intimidated," said candidate José Francisco Peña Gómez, "el Negro" (the Black Man), tipped to win today's poll.

In considerable doubt, however, is whether Mr Peña Gómez, 59, of the social-democratic Dominican Revolutionary Party (PRD), will win the 50 per cent of votes necessary to avoid a two-candidate run-off on June 30. Opinion

polls showed him scoring around 46 per cent, ahead of Leonel Fernández, "el León" (the Lion), of the Dominican Liberation Party (PLD), with 37 per cent.

Jacinto Peynado, 55, "el Gordo" (the Fat Man), currently Mr Balaguer's vice-president and candidate of the long-ruling conservative Social Christian Reformist Party (PRSC), was trailing with only 17 per cent. But few here believe Mr Peynado's likely defeat signals an end to Mr Balaguer's influence.

Many political commentators here believe the shrewd Mr Balaguer, seeing the writing on the wall for his party's own candidate, has been secretly backing Mr Fernández, a US-educated lawyer and journalist, to keep Mr Peña Gómez from power. Adding Mr Peynado's votes, Mr Fernández might be able to defeat Mr Peña Gómez in the run-off.

Both Mr Balaguer and Mr Peynado have attacked Mr Peña Gómez as "a communist" and "mentally unstable" but most of all they have played a highly racist card. Mr Peña is the only black among the leading candidates in a country where blacks and mulattos (mixed race) are the majority but the white élite have always wielded the power and influence.

Mr Balaguer regularly implies that Mr Peña Gómez is Haitian. The latter, an orphan, believes his parents were from the Dominican side of the border. The two countries share the island which Columbus discovered and named Hispaniola.

Haitians, many of whom cross the border to work on sugar plantations, are looked down upon and often badly mistreated here. Mr Balaguer's attacks also play on traditional fears here that Haitians will one day try to unite the island.

Campaigning ended at midnight on Tuesday, with yesterday a "day of reflection" - or cooling of passions - before today's vote. For the first time, balloting will be split according to gender. Women will vote in the morning, men in the afternoon. The move is supposedly aimed at making ballot box fraud more difficult though no-one here seems quite sure how.

It was after a widespread perception of fraud in the last election in 1994, which Mr Balaguer claimed to have won by a margin of less than one percentage point, that he was forced by international pressure to agree to new elections within two years and not to run for a successive term. He could, constitutionally, run again in 2000, when he will be 93.



Supporters of José Gómez parading through Azua

Photograph: AP

Russian Pioneers priced out of camps

PHIL REEVES
Moscow

True, there was a certain amount of ideological claptrap and parading to put up with. But for many children, it was the reason they looked forward to the summer. Pioneer Camp, in Soviet times, was as much a highlight of the season as apple blossom and harvest time.

No more. Millions of Russian children face a summer cooped up in cramped city flats because the camps have fallen victim to the capitalist vices of privatisation and profit.

Founded in 1922 by Lenin's wife, the camps became the standard way of drumming a little ideology into impressionable skulls, as well as ensuring that the youth of the Soviet Union were given a health-inducing break from their parents.

Every year millions of young Soviets, aged between seven and 16, were dispatched to camps, usually for a month.

It was not Butlins, but it was not the Gulag either. The regime was disciplined, but not repressive. Children would rise early, clean their compounds, parade in their red neckerchiefs and spend hours swimming, playing football, and weaving baskets.

It was healthy and cheap. Parents could get rid of their children for a nominal fee, often subsidised by their employers. "Everyone went to them," said Olga Podolskaya, who remembers her mother paying just 20 roubles - a sixth of her monthly salary - to send her to camp outside Moscow.

But in the last few years prices have shot up, especially in privately run camps. In 1988, 8.4 million children went to 47,100 camps; that figure has almost halved. Those institutions that remain open cost between \$180 (£120) - \$400 a month, a price only the wealthy can afford.

For many Russians it is the sad loss of a tradition - and yet another reason to vote for the return of the Communists in next month's election.

Row over taping of suspect's confession to priest

TIM CORNWELL
Los Angeles

Catholic leaders in Oregon threatened legal action yesterday against a local prosecutor who ordered the secret taping of a jailhouse confession by the suspect in a triple-murder case.

Conan Hale has been named as an accomplice in the shootings of three teenagers, including a girl who was raped. When he asked a Catholic priest to hear his confession, it was taped by prison authorities.

A warning by a county prosecutor, Doug Harclerod, that he may use the tape in the prosecution of Mr Hale has provoked an outcry in the American Catholic Church, on grounds that it is an unprecedented invasion of the sanctity of confession.

"Anyone who would do this is transgressing not only God's law but even the law of the state, the law of the nation, the common law," said Monsignor Michael Wrenn, a New York cleric and former director of the

state's graduate school of religious education.

But Mr Harclerod has dug in his heels in a case that pits dwindling sympathy for the rights of prisoners against one of the holiest Catholic sacraments. The Oregon archdiocese has already asked him to destroy the tape and will go to the courts if necessary, a spokesman said yesterday.

In the OJ Simpson trial, a prison guard allegedly overheard a shouted exchange between Mr Simpson and another

former football player, Rosy Grier, who was also a minister. But while his account found its way into the newspapers, it did not surface at Mr Simpson's trial. Nor was Ms Grier a Catholic.

The confidentiality of confession is regarded as inviolable. Oregon's bishop, Kenneth Steiner, in a letter read in parishes on Sunday, observed that "canon law forbids any confessor to betray a penitent by any means for any reasons whatsoever".

If a penitent confessed to a terrible crime, said Mr Wrenn, a priest could counsel him to turn himself in. But he would only deny absolution if he concluded the penitent was not genuinely sorry nor willing to amend his life.

Last December the naked bodies of three teenagers from Springfield, Oregon, were found at the end of a logging road. They included the 15-year-old girl and her boyfriend, shot through the head, and a 13-year-old boy who died of his wounds

on Christmas Day. A man charged in the killings implicated Mr Hale, held on a related burglary. Mr Hale called a local priest, Timothy Mockaitis, to hear his confession through the telephones of the prison visiting-room.

Mr Harclerod says he learnt of the visit and arranged the taping in advance. So far there has been no leak of what Mr Hale actually said, but several members of the prosecution team have listened to the tape.

He insists his action was le-

gal. But while Oregon law allows jail conversations to be recorded, it also protects the confidentiality of discussions with clergy. The Catholic League for Religious and Civil Rights, a national association of lay Catholics, has also promised to sue if the tape is not destroyed and has already asked for a congressional inquiry.

"We can't have freedom of religion maintained if one of its sacraments is denied by the courts," said the league president, William Donohue.

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obituaries / gazette

Professor Geoffrey Dawes

Geoffrey Dawes, Director of the Nuffield Institute for Medical Research in Oxford for nearly 40 years, was a dominant international figure in foetal physiology.

Born in the last year of the First World War, he was the youngest offspring of the vicar of Mackworth in Derbyshire, where he grew up in the huge house, Thurlston Grange, which was then the vicarage. After school at Repton he went up to Oxford where he gained a First Class degree in Physiology just as the Second World War began.

He completed his clinical medical training in Oxford in 1943, but was rejected for military service because of the asthma that plagued him throughout his life. Instead he joined the department of pharmacology under Professor J.H. Burns and helped to develop drugs for treating gas gangrene and for countering nerve gas exposure.

At the end of the war he continued in the field of pharmacology with a Rockefeller Travelling Fellowship in Harvard and Philadelphia before returning to a Foulerton Royal Society Research Fellowship in Oxford. But in 1948, the youthful Dawes became the first, and as it transpired the only, director of the newly-formed Nuffield Institute for Medical Research. This was one of the many direct results of Lord Nuffield's benefactions to the Oxford Medical School. The Institute's first home was in the beautiful old Radcliffe Observatory, designed by Christopher Wren and at that time recently vacated, with the removal of the entire staff and equipment of the Observatory to the brighter and clearer skies of South Africa. Although unsuitable in nearly every way for its new purpose, the build-

ing housed an energetic and fruitful team of physiologists, pharmacologists and clinicians. The far-thinking Dawes had decided that they should turn their attention to the hitherto poorly explored field of foetal physiology, in the first instance to focus on what mechanisms controlled the foetal circulation.

There followed many investigations of the distribution and control of the foetal circulation, predominantly in the unborn lamb, at first in acute experiments and later, after the Institute moved to its new site in Headington, with chronically catheterised preparations that allowed longer-term observation and experimentation. The influence of chemoreceptors, the mechanisms that triggered the dramatic changes of birth, in particular the control of onset of breathing, were analysed in detail with constant attention to the implications for human physiology and disorders. Dawes was one of the first to observe that the foetal lamb had sleep cycles as well as breathing movements *in utero*, and within a short time could confirm that so did the human foetus. This led naturally to considerations of central nervous control, not only in relation to sleep state, but also heart rate variability and responses to stimulation of chemoreceptors.

A long serving Fellow of Worcester College, Dawes became a Fellow of the Royal Society in 1971 and received many awards that recognised the breadth and importance of his contributions. His retirement in 1985 saddened his many friends, because no successor could be found to continue his work, so that the Nuffield Institute was closed. Nevertheless Dawes did not in any sense "retire". His mind continued to buzz with original ideas and concepts, and with delight in the

unfolding of new knowledge and understanding. He was a skilled mathematician (a trait inherited from his father) and now grappled with numerical methods to describe the complexities of human foetal heart rate patterns.

His interest had been sparked by earlier work with foetal lambs, at which time he had mastered the principles of computing, then at a relatively primitive stage of development. His studies of the human foetus were made possible by the



Dawes: foetal circulation

technology of non-invasive, Doppler ultrasound recording, by now a well-established part of clinical practice. He was fascinated by the need to understand the physiological mechanisms underlying the still unexplained short and long-term variations in the heart rate of the healthy human foetus and the ability to use changes induced by spontaneous hypoxaemia (a deficiency of oxygenation of the blood) to detect foetal distress *in utero* and so devise a clinically useful diagnostic technique.

He delighted in the new potency of desktop computing, harnessed the technology to his purpose and produced a system of measurement now used

at the bedside around the obstetric departments of the world as the most precise non-invasive way of assessing the well-being of the human foetus. He was a familiar figure in the Department of Obstetrics at the John Radcliffe Hospital in Oxford, participated in clinical case conferences and continued to goad his clinical colleagues for their mindless preference for subjective impressions rather than objective numerical measurements of foetal heart rate patterns. Papers, letters, and reviews flowed from his pen - more than 20 since 1990 alone. He had a terse synoptic style of writing, clear and economical; sometimes he had to be reminded that his readers' minds were not as quick and logical as his own and so he persuaded to insert what he considered to be unnecessary elaboration and explanation.

He retained astonishing vigour, openness to new ideas, a precise and detailed memory and an unremitting dislike for thoughtlessness and ignorance. His encounters with the latter stimulated his asthmatic wheeziness, so it was a familiar signal of his mood when he angrily had to use his inhaler. He enjoyed attending international meetings, was sought as a good speaker until his final year, and cheerfully coped with the punishment of modern air travel.

He continued his hobby of fly fishing, and spent many hours developing and caring for his beautiful large garden at his home in north Oxford. There, visitors were always welcomed from every part of the world to stay, to drop in for a glass of sherry or be entertained for dinner. They found a unique ambience arising from his long and happy marriage to Margaret who he met in his first year as an Oxford undergradu-

ate. He was proud of his large family - two sons and two daughters - and enjoyed nothing better than the occasions that drew them together. Of formidable intellect, great integrity and questing spirit, he was also a kind and humorous man.

C.W.G. Redman

Geoffrey Dawes was a foremost international authority on neonatal physiology, writes Dr John Walker. He was educated at Repton, a school which showed unusual wisdom by making him first a member and later, in 1971, chairman of its Governing Body.

During his time at Oxford he was involved in important work in connection with his subject; he was Secretary of the British Pharmacological Society, and Editor of the *British Pharmacological Journal*. He was also a popular member of his old college, Worcester.

Dawes' combination of a rosy-cheeked face behind which came apparent sounds of wisdom led some to suppose that there was an element of pomposity in his make-up, but you had only to observe the way the family enjoyed itself together, and the care that Geoffrey took of his wife after blindness overcame her, to see that this was an unusually happy family, and that Geoffrey was an important element in it.

Geoffrey Sharmar Dawes, physiologist: born Mackworth, Derbyshire 21 January 1918; married 1941 Margaret Monk (two sons, two daughters); Fellow, Worcester College, Oxford 1946-85 (Emeritus); Director, Nuffield Institute for Medical Research, Oxford 1948-85; FRS 1971; Member, Medical Research Council 1978-82; CBE 1981; Director, Charing Cross Medical Research Centre 1984-89; died Oxford 6 May 1996.

Anthropomorphic: an illustration by Williams for *The Turret* (1964) by Margery Sharp

Garth Williams

Garth Williams was so masterly an artist that he might have pursued a career in one of many disciplines: architecture, painting, sculpture, even textile design. However, he chose to demonstrate his versatility by illustrating some of the most memorable American children's books of the century; these include the notable first editions of E.B. White's *Charlotte's Web* (1952) and Margery Sharp's *The Rescuers* (1959), and the definitive version of Laura Ingalls Wilder's *Little House on the Prairie* (1953).

Williams was the son of two artists, a father who drew cartoons for *Punch* and publications in New York, and a mother who painted landscapes. As a probable result of their example, he developed two of his essential talents: to visualise humour through character and to conjure up a sense of place. Certainly, his experience of growing up on a farm in New Jersey "as a typical Huckleberry Finn" affected his approach to illustration and gave an underlying direction to his life. However, when he reached the age of 10, his family moved to England, and he had to acquaint himself with a very different environment.

In 1929, Williams began a thorough and ambitious programme of art education by studying architecture at the Westminster School of Art. Two years later, he transferred to the Royal Academy Schools, where he won a scholarship in oil painting and made a detailed study of mural painting. He retained his contact with Westminster by attending its evening classes in sculpture, first in order to improve his drawing, but soon as an absorbing independent discipline.

On completing a postgraduate year at the Royal Academy (1935), Williams supported himself by directing the Latent School of Art and painting murals for such clients as the Earl of Derby. Yet only a year later, he abandoned this work when he won the Prix de Rome. The traditional year at the British School in Rome and a subsequent study tour of Europe

appeared to prepare him at last for a career in sculpture, and back in London he produced a number of portrait busts.

But the outbreak of the Second World War prevented him from pursuing either this course or an appointment as Art Director of a women's magazine. Instead he worked in London as an Ambulance Dispatcher for the British Red Cross until, in 1941, he injured his back in an air raid. This decided his return to the United States.

There his offers to serve in either the American Civil Service or as a camouflage artist were refused, and instead he worked in a war plant making lenses. In 1943, he was forced to rest for the sake of his health and began to seek work as a cartoonist. Though the *New Yorker* rejected his cartoons as "too wild and too European", they did accept some smaller drawings. These caught the attention of Ursula Nordstrom, children's book editor for Harper & Row.

So that, when she received the note "try Garth Williams" pinned by E.B. White to his manuscript of *Stuart Little*, she was very willing to accept the recommendation. Published in 1945, this story of a mouse-like, mouse-sized child proved to be such a success that Williams decided to become a professional illustrator of his own and other writings for children.

In the first decade of his new career, Williams produced some of his finest achievements: illustrations to White's second book for children, *Charlotte's Web* (1952), and his complete uniform edition of the works of Laura Ingalls Wilder (1953). He worked for 10 years in order to perfect his images for Wilder's "Little House" series, meeting the author, researching details and travelling all over the territory covered in the stories, from Oklahoma to upper New York State. When this edition was published, he explained his thoroughness by stating that "illustrating books is not just making pictures of the houses, the people and the articles mentioned by the author; the artist has to see everything with the same eyes".

That degree of sympathy was equally necessary to visualise a resonant moral fantasy of E.I. White's nursery classic, *Charlotte's Web*. The story, loved by generations of children, concerns a grey spider, Charlotte, who sets out to prove that she can save the runt-piglet Wilbur from being killed for bacon. Referring to this book, *The Oxford Illustrated History of Children's Literature* (1995) has suggested that "it is perhaps Williams' ability to instil personality into his characters that is most impressive; no pig could loom more complacently smug than Wilbur".

Williams understood his influence as a writer and illustrator on the values of children and set out to "awaken some thing of importance... human responsibility, respect for others, interest in the world at large". However, such an agenda could prove controversial. When he presented a moonlit marriage between a black and a white rabbit (in his own book *The Rabbit's Wedding*, 1958), he was accused by a White Citizens' Council in Alabama of promoting racial integration. His use of anthropomorphism which sought to unite man and nature, was certainly neither timid nor hackneyed.

In later life, he returned to the rural life he had relished as a child. Ceasing to illustrate for almost a decade, he moved to Mexico, where he built a farm at Guanajuato. From then until his death he divided his time between the farm and his home at San Antonio, Texas. He also travelled in Europe, yet he did not fully abandon his work as an American illustrator. As late as the 1980s, his work on George Seiden's classic *The Cricket in Times Square* (1982) and his own *The Chicken Book* (1983) proved his sustained devotion to imaging the fables of the New World.

David Wootton

Garth Montgomery Williams, artist, writer, children's illustrator: born New York 16 April 1912; married twice (five daughters, one son); died Guanajuato, Mexico 8 May 1996.

Harry Diamond

Harry Diamond was the voice of the working class of Belfast whom he represented in the Northern Ireland parliament at Stormont for 23 years until 1969.

A devout Roman Catholic, he was a vigorous campaigner for the rights of nationalists and dispossessed Protestants at a time when no one else spoke on their behalf. He was the last link with the generation of the late Joseph Devlin and the old Home Rule Party.

Diamond was born and spent his early years on the Springfield Road in Belfast. He was educated at St Paul's National School, Cavendish Square, off the Falls Road, and went on to work with his father as a shoemaker in the family business.

He entered politics in 1929 as a Poor Law Guardian on the Belfast Board of Guardians - a body set up to administer unemployment relief to outdoor relief workers. While the board's underlying aim was to deny benefit to as many people as they possibly could, Diamond fought tirelessly to im-



Diamond: trenchant. Photograph: P. Macneil

prove the relief workers' pay and conditions, and on one occasion when a member of the board dismissed an appeal on their behalf, he picked up a doormat and flung it angrily at the chairman.

He was imprisoned for two months in 1933 after he led a protest at the arrest and detention without trial of 100 young Republicans; he recently recalled with amusement how "the only reading matter in

my cell was the Bible and I read it from cover to cover".

With the family business unable to support him, he travelled to England in 1937 in an effort to find much-needed employment. He quickly ran out of money and was standing at the River Thames one day seriously contemplating taking his own life when by chance he met a fellow Belfast man who eventually managed to get him a job.

This period in England laid the foundation for a close involvement with the trade union movement. On his return to Belfast in 1943 Diamond formed the Socialist Republican Party which then became known as the Republican Labour Party.

Many of the people around him were from a Protestant radical background and, unusually, his closest associate at that time was a Shankill Road Presbyterian, Victor Malley of the Transport and General Workers Union, who edited Diamond's news sheet, the *Northern Star*.

Harry Diamond was fiercely

opposed to the partition of Ireland, and although a staunch socialist he shied away from the Northern Ireland Labour Party who pledged to "maintain unbroken the connection between Great Britain and Northern Ireland as part of the Commonwealth". As RLP's leader Diamond concluded "there is no room for pure Labour".

His parliamentary political career began in 1945 when he was returned for the Stormont constituency of Lower Falls in Belfast. He was very trenchant and forthright on behalf of the underprivileged and had few friends in the Stormont parliament, but he was highly respected for the way he represented his constituents.

He was very much an individualist and consistently called for reform on housing, employment, health and education, but his demands - a forerunner for the later demands of the Civil Rights movement of the late 1960s - were treated with contempt by the Unionists.

In 1969 he wrote of how "time and again Unionists were

warned, not least by myself, that their policies would result in violence". He was an outspoken critic of the Stormont regime and had an intense dislike for the B Specials (Ulster Special Constabulary) - an anti-Republican paramilitary-style auxiliary force of the Royal Ulster Constabulary - and was regularly ordered out of the Stormont parliament for lambasting their activities. He was also frequently censured for referring to the Royal Family as the "foreign royalty".

After a brief alliance with Gerry - now Lord - Fitt, he lost his seat in 1969 to another colourful left-wing politician, Paddy Dwyer, and the following day shunned politics and retired to the tranquil setting of Glenariffe on the Antrim coast.

Malachy McCourt

Harry (Harry) Diamond, politician: born Belfast 10 May 1908; married Mary Legg (marriage annulled), 1938; Sinead Nesbitt (died 1991), 1992; Anne Browne; died Glenariffe, Co Antrim 7 May 1996.

Gilbert Bowen

Adolescence is when the embryonic poet usually manifests him or herself. Then the gift is either totally lost, or matures and becomes established by the time the writer is in his or her twenties or early thirties. So it is a rare thing to discover the jewel within oneself as late as the seventh decade, which is when the poet and translator Gilbert Bowen first started writing and work published, having never produced a line of poetry in his life before then.

Bowen's first book of translated poems by one of the century's most important and best-loved poets, *Paul Eluard Selected Poems*, was submitted to John Calder and published

by him in 1987 when Bowen was 73 years old. His second book of Eluard translations, *Paul Eluard Unbroken Poetry II*, was published by Bloodaxe earlier this year.

After leaving school, Bowen, already fluent in French, became a member of the foreign sales department of John Oakey and Sons, who made abrasives. He served with distinction as an interpreter in the Second World War in France and Germany, which is where he met his wife-to-be, Charlotte.

After the war he entered the employ of the Moscow Narodny Bank (the Russian trading bank in England) and remained there as Personnel Manager until his retirement. It was then

that Bowen discovered he had the gift of poetry.

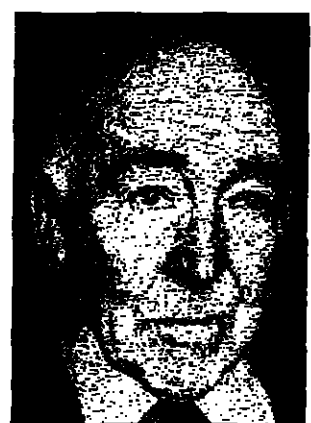
During the nine years between the publication of his two books of translations he also wrote original verse and translations of work by Jacques Prévert and writers from Francophone Africa.

The poet-translator is not simply a translator. He has to convey in words the kernel of the poem's meaning so that the result is a poem in itself. As Bowen remarked in a short lecture at a conference last June to mark the centenary of Eluard's birth and the publication of *Unbroken Poetry II* (which came later): "so much of the lyrical value of a poem in its

original language resides in the colour and perfume of the words. Perhaps the best we can say about a well translated poem is that it is a new poem inspired by its original after appreciation and interpretation by a new personality."

Gilbert Bowen achieved this most taxing of tasks, particularly in regard to *Unbroken Poetry II*, a selection of Eluard's later and often quite surrealist work, to an extraordinary degree. Bowen seldom spoke about himself and his literary achievements, and was therefore known in the West London "village" where he lived simply as a quiet and gentle man.

Carol Spero



Bowen: the gift of poetry

Gilbert Bowen, translator: born London 6 January 1914; married 1946 Charlotte Rudel (died 1989, one daughter); died London 21 April 1996.

Forthcoming marriages

Mr T. Kirwan and Miss M. Caines. The engagement is announced between Tim, eldest son of Mr and Mrs John Kirwan, of West Bromford, Nottingham, and Miranda, younger daughter of Sir John and Lady Caines, of Dulwich, London SE21.

Birthdays

Canon Reginald Askew, former Dean of King's College, London, 68; Mr Stuart Bell MP, 58; Mr Pierce Brown, 45; Sir Colin Cole, former Garter Principal King of Arms, 74; Mr Don Conacher, former government minister, 66; Mr Mark Elliott, ambassador to Norway, 57; Sir Nicholas Goodson, chairman, TSB Group, 62; Mr Jimmy Hood MP, 47; Mr Roy Hudd, comedian, 60; Sir David Keble Jones, former president of the Gambia, 77; Mr Gerald Jones, conductor and organist, 79; Maj-Gen Sir Desmond Langley, former Governor of Bermuda, 66; Professor Peter Levi, poet and archaeologist, 65; Mr David Maclean MP, Minister of State, Home Office,

Anniversaries

Births: Sir Dudley North, financier and economist, 1641; John Opie, artist, 1761; John Sell Cotman, water-colour artist, 1782; Friedrich Rückert, poet, 1788; Elizabeth Palmer Peabody, educationist, 1804; David Edward Hughes, inventor of the microphone and teleprinter, 1831; Richard Tauber (Ernst Seifert), tenor and conductor, 1892; Herbert Ernest Bates, novelist, 1905; Woody Fonda, actor, 1905; Henry (Woodrow Charles) Herman, jazz

clarinetist and bandleader, 1913; Libera (Wladislaw Valentyn), pianist and entertainer, 1919; Desiderio da Cortona (Berrettini), painter and architect, 1669; Charles Fernall, author and fairy-tale writer, 1703; Burton Gwinnell, American revolutionary leader, from wounds during a duel, 1777; Daniel Charles Solander, botanist, 1782; Felicia Dorothea Hemans, poet and hymn-writer, 1838; Sir Edmund William Gosse, poet and author, 1928; Lilli Lehmann, soprano, 1929; Max Brand (Frederick Schiller Faust), Western author, 1944; Sir William Newnam Prior Nicholson, painter and engraver, 1949; James Agee, author and screenwriter, 1935; Randolph Turpin, boxer, shot dead in his home, 1966; Michael Abdul Malik, Black Power leader, hanged for murder in Trinidad, 1957; Irwin Shaw, author, 1984. On this day in Holland, the Batavian Republic was established, 1795; the Lombardie Republic was established, 1796; the Senate and Tribune proclaimed Napoleon emperor in France, 1804; during the Peninsular War, the French were defeated by the Allies at Albuera, 1811; the Kentucky Derby was first run at Louisville, Kentucky, 1875; the world's first electric tram went into

public service, Lichterfelde, near Berlin, 1881; some remains of Neanderthal man were found in Jersey, 1911; the Zeppelin *Deutschland* was wrecked at Düsseldorf, 1911; the White Star liner *Morges*, largest vessel to date, completed her first voyage from Southampton to New York in five and a half days, 1922; the first Academy Awards for films ceremony was held in Hollywood, best actor and actress being Emil Jannings and Janet Gaynor, 1929; the first British air hostess, Daphne Kearsley, flew in an Avro 642 from Croydon to Le Bourget, France, 1936; a "bouncing bomb" invented by Dr Barnes Wallis was dropped on the large Molene and Eder dams in the Ruhr, Germany, 1943; an earthquake in Northern Japan killed 47 and injured 217, 1968; the Soviet spacecraft *Venus 5* touched down on Venus, 1969; Queen Elizabeth became the first British monarch to address the US Congress, 1991. Today is Ascension Day and the Feast of St. Brendan, St. Ciaranoc or Caramon, St. Domnolus of Le Mans, St. Germerius or Germer, St. Honoratus of Amiens, St. John Nepomuk, St. Purgentius of Auxerre, St. Possidius, St. Simon Stock and St. Ubaldus of Gubbio.

Lectures

National Gallery: Julie Barlow, "Spring Chickens (II): Gainsborough, Mr and Mrs Andrews", 1pm.

Victoria and Albert Museum: Penny Walsh talks about her work, 2.30pm.

Tate Gallery: David Rhodes, "Little Boy: childhood and the work of Marlene Dumas", 1pm.

British Museum: Hilary Williams, "The Influence of Modern Myth and Heracleum on English Interiors", 1.15pm.

National Portrait Gallery: Tim Jea, "David Livingstone: the man and his work", 1.10pm.

Leicester University: Richard Mabey, "From Magic to Modern Myth: wild plants in popular culture", 8pm.

London School of Economics, London WC2: Professor Lawrence Sklar, "Idealization and Explanation: an example from statistical mechanics", 5.30pm.

University College London, London WC1: Professor Valeria J. Lund, "Rhinitology Rules OK?", 5.30pm.

Susan Fleetwood

There will be a celebration of the life and work of the actress Susan

Fleetwood, at St James's Church, Piccadilly, London W1, on Sunday 9 June at 3.30pm.

Luncheons

Corporation of London. The Lord Mayor of London, Mr John Chabrey, and the Lady Mayress, Mrs Chabrey, accompanied by the Sheriffs and their Ladies, received the guests at a luncheon held yesterday at the Guildhall, London EC2, to mark the occasion of the visit by Mr Jacques Chirac, the President of the French Republic, to the City of London. The Duke of Kent attended.

Receptions. Lord Mayor of Westminster. Following his election at the Annual Council Meeting yesterday evening, the Lord Mayor of Westminster, Mr Robert Davis, with the Lady Mayress, Miss Carole Franco, gave a reception at Westminster Council House, London SW1. Among those present were:

Sir John Wheeler MP and Lady Wheeler, Mr Peter Boodie MP, The Rev. David Rowland, Lord Mayor's Chaplain; Mr Carolyn Stern, Deputy Lord Mayor, and Mr Andrew Koon.

Dinners

Royal Aeronautical Society. Dr John Green, President, Royal Aeronautical Society, hosted the Annual Banquet held yesterday evening at the late Continental Hotel, London W1. Air Chief Marshal Sir Michael Graydon, Chief of the Air Staff, was the guest of honour.

Queen Mary and Westfield College. Professor Graham Zeffick, Principal, Queen Mary and Westfield College, with Sir Christopher France, Chairman of Council, presided at a guest night dinner held yesterday evening at the Mile End Campus of the College, London E1. Among those present were:

Vice-Admiral Sir Geoffrey Dalton, Vice-Chairman of Council; Mr Mark Howard QC, Professor Tom Meade; Professor Iain MacLellan; Mrs Sheila Redhead; Professor Sir John Vane; Mr S.H. Wright, Treasurer.

Venice in Peril Fund

The Prince of Wales was the guest of honour at a concert and dinner given by Signor Paolo Galli, the Italian Ambassador, and Signora Galli yesterday evening at the Italian Embassy, London W1, in aid of La Fenice Appeal by the Venice in Peril Fund.

ROYAL ENGAGEMENTS

The Princess Royal, Patron, Royal Lympington Yacht Club, attends the Royal Lympington Yacht Club, Lympington, Hampshire; and as President, British Olympic Association, attends a Gala Sports Night at Guildhall, London EC2. Princess Margaret attends the Return Banquet given by M Jacques Chirac, President of the French Republic, and Madame Chirac at the French Residence, London W8. The Duke of Kent, attends a reception to commemorate recent tree planting at the Honourable Artillery Company, Armoury House, London EC3; and as President, the Royal National Lifeboat Institution, presents the Annual Awards, the Bechtel Award and Conference Centre, London EC2.

Changing of the Guard. The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am; 1st Battalion Welsh Guards mounts the Queen's Guard at Buckingham Palace, 11.30am. Band played by the Scots Guards.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned to 0171-293 2011, or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra).

How safe is your job?

Downsizing is the spectre, we are told, that threatens every white-collar worker. Yet, as Yvette Cooper explains, hard evidence that middle-class jobs have become significantly less secure is difficult to find

One of America's great downsizing gurus has changed his mind. Suddenly Morgan Stanley's Stephen Roach has decided that the fierce cost-cutting and staff-slashing he has been advocating for years is not all it's cracked up to be. The news will come a little late and taste a little sour to all the former middle managers still searching the job vacancy columns.

But has Mr Roach simply jumped on to a new fashionable bandwagon? Anguish about downsizing, and about the job insecurity for which it is blamed, is widespread on both sides of the Atlantic. The countless columns on the subject in the national press suggest America is obsessed. The *New York Times* recently devoted a seven-part series to the phenomenon, the largest journalistic enterprise it has undertaken since the early 1970s. It came up with the slightly dubious estimate that more than 43 million US jobs had been lost since 1979. Meanwhile, the right-wing Republican Pat Buchanan rode a tide of middle-class fears about job losses with his proposals for a return to protectionism during his presidential campaign.

Back here in Britain too, job insecurity is becoming the buzzword of the decade. This, we are told, is why there is no feel-good factor despite years of economic growth. And most politically potent of all, this new insecurity has spread to the articulate, white-collar swing voters in the middle class.

The curious thing is there is very little tangible evidence in either Britain or the US that middle-class workers face greater risk of losing their jobs than in the past. In Britain, the length of time spent in the same job by the average person has hardly changed over the past 10 years. In 1984, you could expect to stay in one job for five years and five months. In 1994, the figure fell only to five years and two months.

Other facts point to the same conclusion. According to the LSE economists Paul Gregg and Jonathan Wadsworth, the proportion of people leaving their jobs each year (the "separation rate") has increased slightly over the past 10 years from 15 per cent to 16.2 per cent. But these are hardly startling figures.

Gregg and Wadsworth also find that job insecurity for the middle classes is still much, much lower than for their unskilled counterparts. Between 1979 and 1993 the proportion of graduates leaving their jobs rose from 8.5 per cent to 10.5 per cent. But for low-skilled workers, the proportion

leaving a job rose from 19 per cent to 24 per cent.

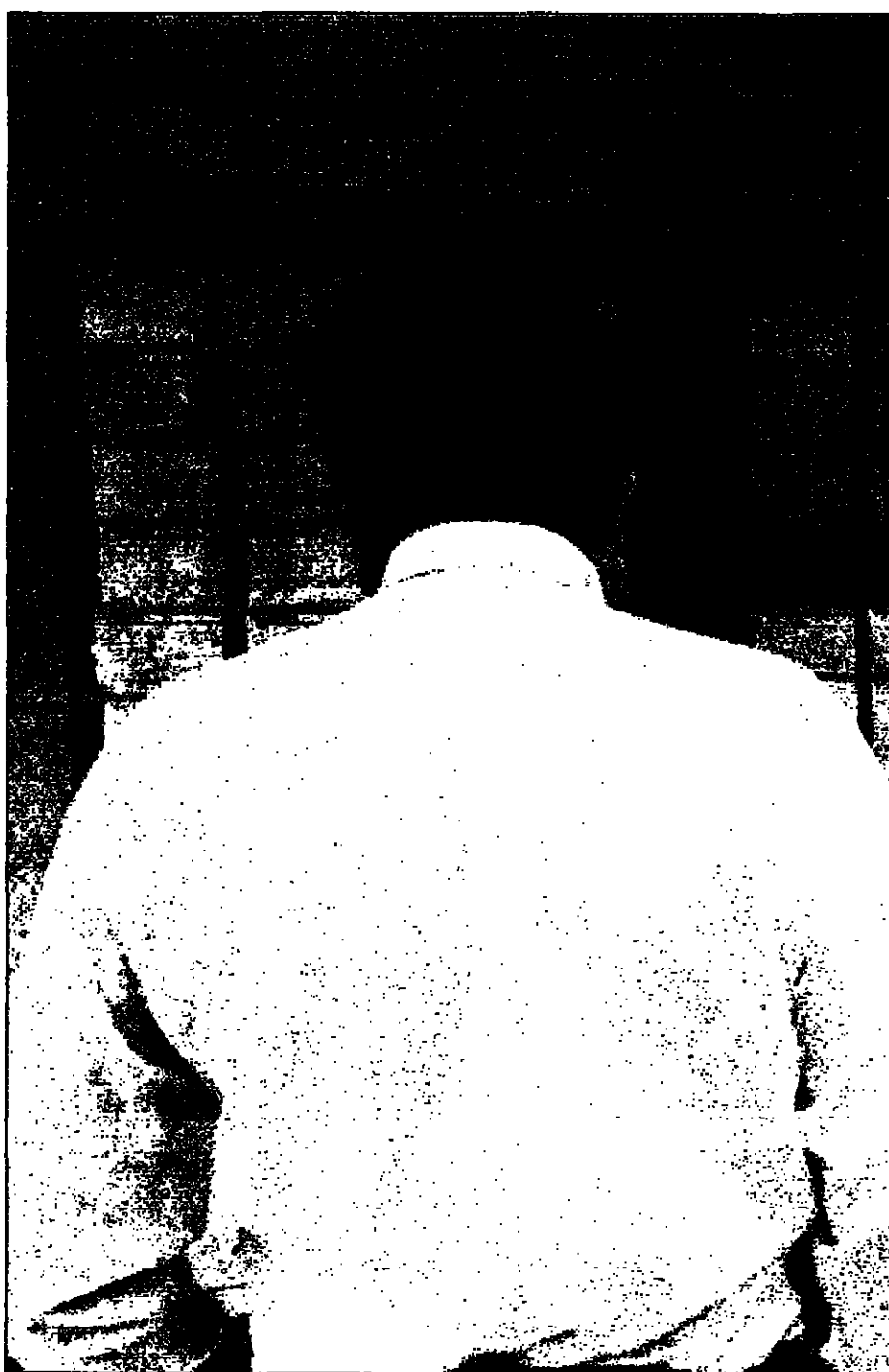
Faced with this kind of evidence, the bubble about downsizing and job insecurity appears to be self-indulgent middle-class angst. Could it be the whole thing is merely fashionable hype, whipped up by journalists experiencing cuts in their own industry and opposition politicians who hope it will win them votes?

Not quite. Although the middle classes still have it easy compared to their working-class colleagues, there is some new evidence that the risks they face have increased very recently. Official figures on job tenure and turnover do not capture the most recent changes. It seems that the number of redundancies rose in 1995 compared to 1994, despite the continued fall in unemployment. And they increased particularly among managerial and clerical occupations. (see table opposite). Coming out of the recession manual workers were still far more likely to lose their jobs than middle-class, managerial staff. Now the gap is much narrower.

Levels of insecurity depend not just on the chance of losing your job, but also on the consequences – and these have indeed become more dire than they were 10 years ago. Support from the welfare state has been cut, we have far more debts hanging over us to be repaid, and the wages we can command in any future job will be drastically lowered.

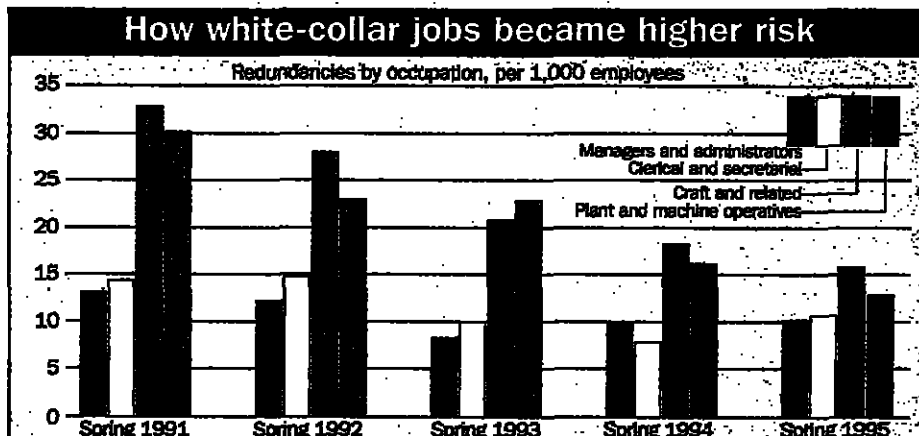
But even supposing middle-class job insecurity has gone up, we still don't know if this is a permanent change, or just a one-off event as companies restructure. The Princeton economist Henry Farber believes the number of administrative jobs required in the economy has dropped – just as the number of manufacturing jobs dropped in the early Eighties. Although there will be losers, new jobs will be created elsewhere. On the other hand, it could be that we face a permanently more fluid labour market in which we all change jobs more frequently, as industries and technologies move on at an ever more rapid pace.

Whatever the facts about job insecurity, the anxiety is real enough. The challenge for politicians is to find ways to ease those fears, without raising expectations. Their starting point should be to reduce the catastrophic costs to workers of losing their existing jobs by ensuring they are properly insured against unemployment, and can re-skill to find new work. But whatever they do, they ignore popular concern at their peril.



Whatever the facts about job insecurity, the anxiety is real enough

Geraint Lewis



Three reasons why we fear downsizing

One: white-collar redundancies are up

The number of redundancies has fallen dramatically since the recession – from 391,000 in the spring of 1991 to 220,000 in spring last year. But despite the fact that unemployment has continued to fall, the number of redundancies grew between 1994 and 1995 by around 10 per cent. It is not easy to tell whether the trend will be sustained.

Not all occupations have been affected in the same way. For managers, administrators, clerical and secretarial workers, the risk of redundancy was never as high as for other groups (only 12.5 per cent last year, compared with 14 per cent overall). But that risk hasn't fallen much since the recession, and in 1995 it started to increase again. As the graph shows, white-collar job losses appear to be increasing independently of the economic cycle.

Of course, skilled and unskilled manual workers still face the highest risk of being made

redundant – around 1.4 per cent in autumn 1995, compared with an average risk of about 1 per cent. Yet their circumstances have at least improved since the height of the recession, when they stood more than a 3 per cent chance of being made redundant.

Rising insecurity may well be an M-people problem: it afflicts the middle class, middle aged, men. Women have always had higher job turnover than men, but their job tenure is rising. Meanwhile, the young and the old have always been vulnerable to losing their jobs. The middle aged are having to get used to it for the first time. In the US, similar things are happening: the President's Council of Economic Advisors admits that there too, the risk of unemployment for older, white-collar and better educated workers has risen – but still remains lower than for younger, blue-collar and less educated employees.

Two: the cost of losing your job is higher

Losing your job becomes a far more worrying prospect if you have more to lose. We are more indebted to banks, building societies and credit card companies today than we were 10 years ago.

And there is less support available to see us through from the welfare state. Non-means-tested unemployment benefits are available only for six months rather than a year, and help with mortgage interest payments for the unemployed has been reduced.

But even more important, a spell unemployed now seriously damages your job and earning prospects in the future.

LSE economists Paul Gregg and Jonathan Wadsworth find that the earnings you can expect in your new job are seriously affected too. Entry jobs – jobs that the unemployed move into – are far more likely to be low-paid, temporary or part-time. And even for two people with identical skills and experience, the one

who has been unemployed can expect to earn 40 per cent less in his new job than another who has simply switched between employers.

Seen like this, the middle classes may well be more worried than the low-skilled and low-paid, for they have more to lose.

The 50-year-old middle manager who loses a comfortably paid executive position may find the only alternative work pays much less than he is used to, and makes it difficult to keep up the repayments on his mortgage and his debts. The unskilled 20-year-old who loses one low-paid job has fewer commitments, but also less at risk.

From the US come horror stories of middle managers losing their jobs and having to take a 50 per cent pay cut, especially in industries in which technology is moving fast, a period of unemployment may permanently impair job prospects. Rough if you are a parent with a mortgage and parents of your own to look after.

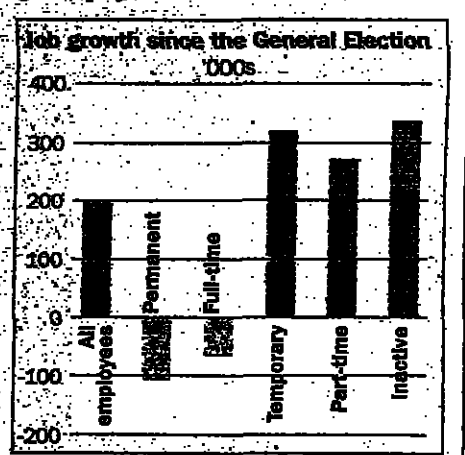
Three: more new jobs are temporary

Even as employment has grown since the end of the recession, the number of permanent jobs has fallen by more than 100,000. In their place have grown more than 300,000 temporary jobs. Inevitably those workers face greater insecurity than their colleagues in permanent positions: they have no guarantee of employment once the contract ends, and they have far fewer employment rights. On average temporary work pays 17 per cent less than permanent work.

A temporary contract does not necessarily mean insecurity. The highly qualified computer analyst who switches from one well-paid post to another is probably more secure than her counterpart in a low skilled "permanent" sales job. The real insecurity is experienced by those who lack the skills to switch between jobs and are stuck in low-paid short-term jobs.

Full-time jobs have fallen too, while part-time jobs have grown. Although many of the new part-time jobs have been taken up by women who do not want to work the long hours of a full-time job because of family

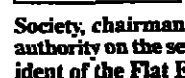
responsibilities, some are going to people who would rather work full time. Since 1992, the number of part-time workers claiming they would rather be doing a full-time job has gone up by 175,000.



DIARY

Maggie, Maggie, Maggie, out out out

Has anyone seen a bust of Margaret Thatcher? The mysterious case of the missing Maggie was revealed at a recent memorial gathering. There, in mourning, were devoted followers of Alice in Wonderland and Trotsky rubbing shoulders with believers in the Flat Earth and fairies. They had all come to pay tribute to the late Ellis Hillman, founder president of the Lewis Carroll Society, chairman of the Fairy Society, authority on the sewers of London, president of the Flat Earth Society and the first Labour mayor of Barnet.



It's thanks to Mr Hillman that the Iron Lady was on everyone's lips. For Councillor Hillman's first act on being enshrined as mayor was to stretch his arms wide in his robes of office, jangle his chain, add the words "and I'm a socialist" to his formal acceptance of the honour, and order a minion to "get that bloody woman out of here".

The bust of Mrs Thatcher was then removed – some say the mayor personally dropped it over the balcony – and replaced by one of Lenin. Whether Mrs Thatcher is truly bust may be a secret. Elise Hillman took with him to the grave. She may simply be glowering deep in the vaults of Barnet town hall. Perhaps the current mayor should look into the matter and, if possible, dig her out, if only to treat her in a manner that would induce a posthumous chuckle in his illustrious predecessor.

Help at hand for confused of Tokyo

The Official Journal of the European Communities (ominously known as *OJ*) has tied itself up in a linguistic knot. The problem is the European Commis-

sion's official translation into Japanese of the simple words European Union. Glyn Ford, Labour MEP for Greater Manchester, is most unhappy with "Oushu Rengou", which, he says, means "European Association". Indeed, Mr Ford has tabled a question to the Commission which itself requires an office of translation. I quote: "The term 'Rengou' causes conceptual confusion in the Japanese media, when reporting, for instance, on the association agreements signed by the EU with central and eastern European countries, it being difficult to explain how an 'association' has association agreements with associates who are not members of the association."

The 12 paragraphs of finer detail on the difficulties facing the Japanese translator of Eurospeak are, regrettably, too complicated to paraphrase. But you will be pleased to hear that the office in question, "undertakes all nec-

essary efforts to clarify such potential misunderstandings". So that's all right then.

A case of Mickey Mouse politics?

Pity Eileen Wise, new press officer for the Conservative and Unionist party of Ulster. As if Northern Irish politics were not tricky enough in themselves, the poor woman is already attracting personal criticism – for having worked for Walt Disney Productions.

"The latest Disney hit, *Pocahontas*, has been noted for its unflattering portrayal of the brave Brits who colonised America," snarls *Sinn Féin's* *Republican News*. "If I were a Tory I would be very suspicious of this woman." They're not finished with her yet.



Lawyer in a tutu strikes a pose

Recognise the jolly cake-juggler? One would certainly hope so – the late great Lord Goodman, left-of-centre luminary, leading lawyer, Labour peer and one-time Chair of the Arts Council, among other things, undoubtedly left a weighty mark on 20th century life. And next month, just over a year after his death, his private art collection goes on sale at Bonhams in London. The sale will feature more than 60 works of art, which he began collecting while still an undergraduate, and added to throughout his life. It includes a Bridget Riley screen print, a sketch by Picasso valued at £30,000-£40,000, plus satirical illustrations of the legal system. Goodman himself was occasionally the subject of political satire, and the sale features a small collection of cartoons – such as the one above by Glen Williams. But just what does the cartoon signify? Bonhams, it transpires, somewhat bizarrely, hasn't got a clue. Eagle Eye will hazard a guess at the 21st anniversary of the Arts Council, back in 1966 – but can anyone shed any light on the mystery? Suggestions, please, to Eagle Eye, Canary Wharf.

either. "And then there's that name – Eileen," the paper muses, "which sounds distinctly feenian." Whoever said Northern Irish politics could be petty?

Well, there's no harm in asking. Is there?

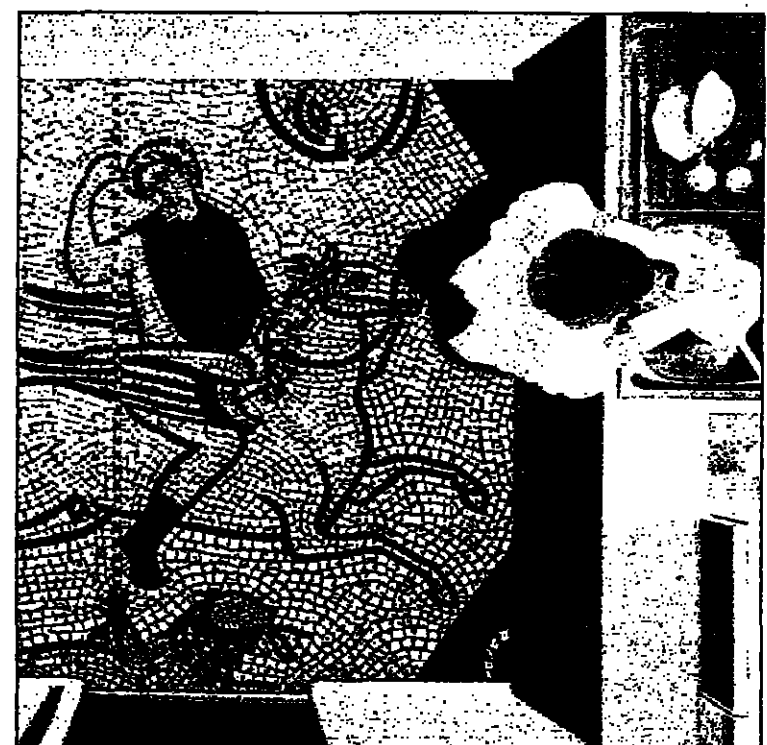
Ken Follett. There's a man you can always rely on. Millionaire novelist, Islington idol, husband to the delightful grooming guru and Labour candidate Barbara, all round golden boy... our Ken seems incapable of putting a foot wrong.

Ahem. Not exactly. Follett's fund-raising efforts for the Labour Party are nothing if not enthusiastic – but his recent volley of begging letters to businessmen was perhaps a little too enthusiastic. One carpet tycoon was certainly startled to receive a personal copy of Follett's latest missive, which begins: "I wonder if you would be interested in helping the Labour Party?" I rather doubt he would. The tycoon in question is one Sir Philip Harris, knighted by this government, described this week by a senior Conservative as a "financial genius" – and, oh yes, a treasurer of the Tory party.

Nights with a teddy boy

A recruitment ad in this week's *UK Press Gazette* for a sub editor at the Highland News Group in Inverness attempts to sound enticing by boasting: "Our chief sub is a 6ft 6in biker who plays in a rock group and makes teddy bears in his spare time." Just the kind of chap with whom to spend those long dark evenings, writing headlines.

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India tears up the rule book

India's political traditions lie in ruins. They have been shattered by the country's have-nots and outsiders. They are unlikely to be put back together again. The only certainty is that the country is headed for an extended period of political instability. No party commands an overall majority after last week's inconclusive elections, the largest democratic ballot in history. Whatever government emerges will be a potentially unstable coalition with a very limited life expectancy. There may well be another election within months. That may deliver a very similar result, in which case India's politicians will have to learn new tricks, of ruling through a long-term coalition. Just as likely it may deliver an overall majority to the Hindu Bharatiya Janata Party.

Either way, the dominance of the Congress Party, which has ruled virtually without break for 50 years, is at an end. Its collapse in the polls, to a 30 per cent share of the vote, is the reflection of deeper, potentially darker forces at work in Indian politics. Congress government helped to hold the country together. Now it threatens to fragment along religious, caste and regional lines.

Congress ruled, through corruption, horse trading and cynicism. But the high caste intellectuals who created the party also formed a compact with their lower caste supporters. Alongside socialist economic policies it created a vast, leaky social welfare network for the poor, who repaid Congress by voting for it time and again in elections. More recently Congress has been reformist, ditching protectionist policies, welcoming foreign investment, floating the currency, simplifying the tax-system and allowing private banking. It reduced inflation and dramatically increased exports. Yet these economic achievements could not protect the party from the force of disenchanted caste, religious and regional politics.

The real winners in the election were a host of parties representing "low" and "backward" castes and populist regional movements. These 20 or so parties now account for about 40 per cent of the popular vote. This is in part because many lower caste Muslims fear that Congress is not being tough enough in response to the rise of the mainly middle and upper caste Hindu BJP. It is also a reaction against the heavy handed rule of Congress from the centre. Indira Gandhi, the great Congress ruler, distorted the Indian constitution's commitment to federalism

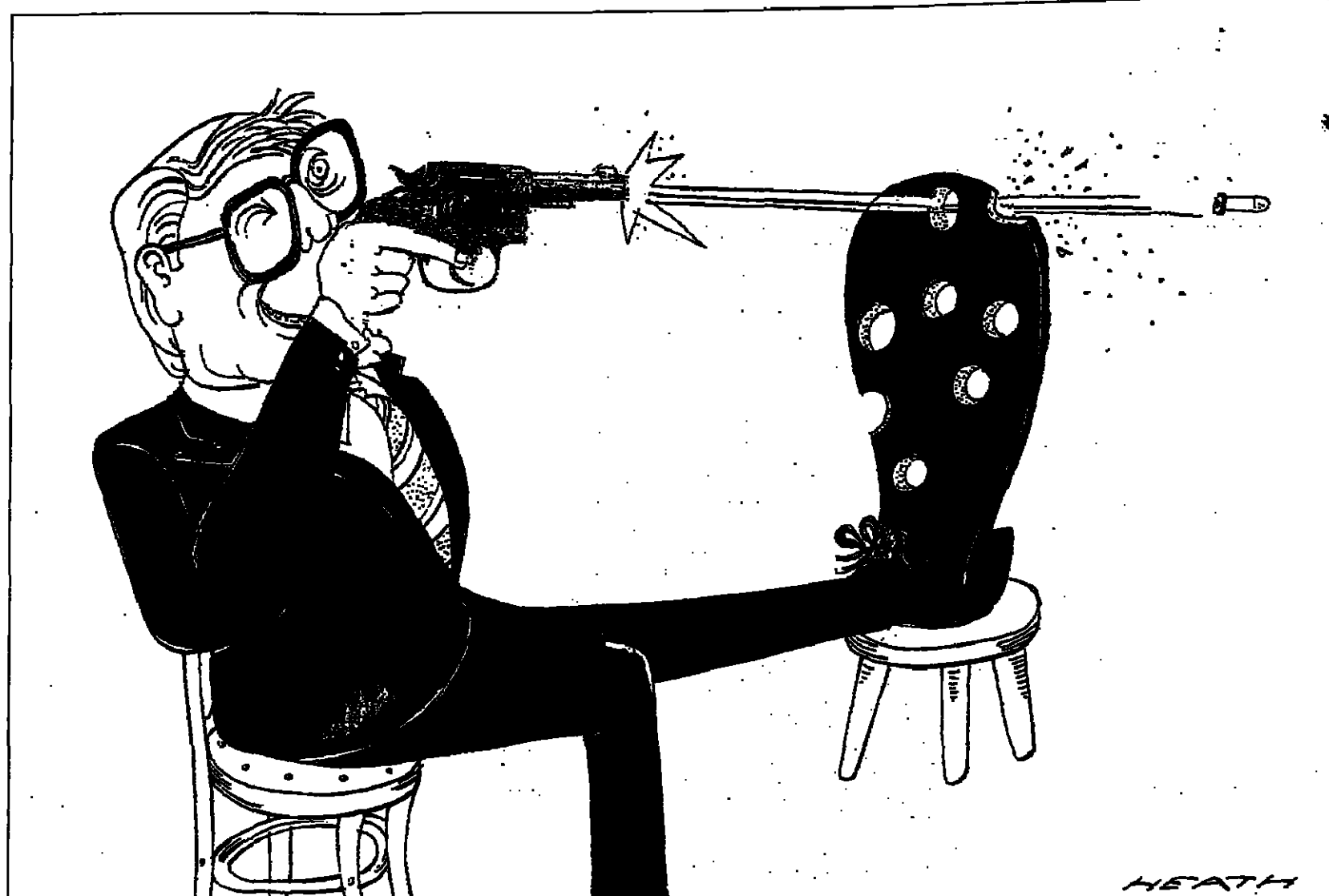
by attempting to keep the states under firm central control. That is no longer possible: Congress's base in regional politics is increasingly weak. Whichever party rules in India will now confront a more fractious federalism.

The dangers in this situation are immense both for the social fabric of India and its relations with the outside world. The BJP's commitment to economic liberalisation and openness are untested. It wants to court a more moderate image. The party's most forward looking leaders espouse market economics. The BJP and its more militant ally, the Shiv Sena, have been more or less friendly to foreign investment in Maharashtra state where they control the local government. So despite the wider economic nationalism of some of its leaders and many of its supporters, it should not be taken for granted that a BJP-led government would be hostile to foreign investment per se.

So far it has said nothing about whether a BJP government would carry out its promise to build nuclear weapons, a policy that would bring it into confrontation with Washington and help further to destabilise the region. If the BJP is serious about wanting to become a responsible government it should make clear that, everything else being equal, it does not plan a nuclear future for India.

However, perhaps the greatest danger is that India will become increasingly ungovernable as the old political system based around Congress hegemony fragments. Religious violence could easily undermine the BJP's commitment to secularism. To govern, the BJP may have to cede powers to the provinces, which might feed regional separatism. If its own extremists are given their head they may well encourage extremism in reaction from populist Muslim parties. At the moment the political system is fragmenting; it may yet polarise.

It is far too early and it would be far too pessimistic to assume this will be the fate of a country that has a huge capacity to absorb change. Indeed, a more optimistic scenario may be just as likely. The fall of Congress may be vital to the health of Indian democracy, by providing choice and change. Its political leaders may yet be able to find a way of governing through a stable coalition if they all understand how little they have to gain from polarisation and conflict. The end of the Congress era may yet create the basis for a new political maturity. That would be a prize indeed.



'Hey! This is fun!'

LETTERS TO THE EDITOR

Hong Kong: Hurd urges cross-party unity

Sir: In his article (13 May) Robin Cook criticises Chris Patten for failing to visit Peking to discuss his proposals for a more democratic Legislative Council (LegCo) before announcing them in October 1992. The calculation, claims Mr Cook, was that Peking would be "sucked along in the slipstream" and obliged to accept the arrangements as a fait accompli.

As Foreign Secretary at the time, I can testify that there was no such calculation. No one imagined that China could simply be bounced into accepting the proposals. They were just that – proposals. We made clear to the Chinese that we were willing to discuss them, and to amend them if necessary. We were careful to brief the Chinese about a week before Chris Patten announced the proposals publicly.

Was it, in retrospect, a miscalculation for the Governor not to go to Peking in advance? I do not believe so. He and I thought about this carefully at the time. After exhaustive consultation

with the political parties in Hong Kong in the summer of 1992, Chris Patten concluded that he had to share his thinking on the electoral arrangements with LegCo and Hong Kong before going up to Peking. There was intense interest in these electoral arrangements in Hong Kong. To have attempted to negotiate behind the back of Hong Kong people entirely in secret, maybe for many months, would have invited mounting criticism in Hong Kong. We could not have sustained this in the Hong Kong of the 1990s, as we had found out in December 1991 when LegCo had thrown out an agreement on Hong Kong's Court of Final Appeal negotiated in secret.

I do not myself believe that an agreement on the elections would have proved possible even if the Governor had gone to Peking before LegCo. After all, we later had marathon talks with China about the elections between April and December 1993. Those talks

ultimately foundered because China was not prepared to subscribe to arrangements for the elections which we and Hong Kong regarded as free, open and fair. It was a disagreement which resulted not from our approach but from important differences with China on issues of principle.

In the end, the Governor's proposals were enacted into law not at Westminster but by the legislature in Hong Kong. But it has been a source of great strength to Hong Kong over the last four years that these proposals have enjoyed the support not just of the Conservative government, but of the Labour Party and others across the House of Commons.

It is important for Hong Kong that this united approach to the crucial remaining months of the transition.

DOUGLAS HURD CH, MP
(Widney, Con)
House of Commons
London SW1

Left-winger hails Blair

Sir: Further to your report and editorial (13 May), and as one of many Labour MPs present for one in a series of discussions between Tony Blair and his back-benchers, and as a left-winger, may I suggest that Labour, like any other party, would face very serious problems if it didn't contain a variety of views, policy priorities and the personal differences which are part and parcel of any large and democratic political organisation.

Nonetheless, journalists are wont to exaggerate these nuances and differences. Personally, I very much welcomed the chance for a conversation with Tony Blair and to air my own views on policy and priorities.

Other Labour leaders have not even tried to gauge the feelings of the foot-soldiers and he should be congratulated for having done so.

HARRY BARNES MP
(North East Derbyshire, Lab)
House of Commons
London SW1

Little point in fundholding

Sir: The leaked National Audit Commission Report ("Fundholding: GPs cannot cope", 13 May) suggests that many fundholding practices have produced little benefit for anyone apart from themselves. Our own statistics from Devon would support this.

Any benefits from fundholding must be pretty small, as 95 per cent of Devon fundholders' contracts are with local Trusts, who provide exactly the same services to the patients of both fundholding and non-fundholding GPs. Neither are the savings spent directly on patient care. This year 99 per cent of fundholders' savings in our district (£22,500 per practice) will be spent on practice buildings, furniture and equipment, for which non-fundholding GPs have to pay out of their own pockets.

Fundholding practices will also receive £35,000 per practice from outside funds for management and computers and be able to spend between £20,000 and £25,000 per practice extra on staffing. These are the reasons that many practices have become fundholders though they may not have told the National Audit Commission this. If you need a new computer you more or less have to become a fundholder these days.

It is unreasonable that fundholding practices can access large central funds while GP commissioning practices are unable to. It is also unreasonable that the practice and personal income of a GP should suffer because he chooses GP commissioning in preference to fundholding. Particularly so when peer-reviewed research fails to demonstrate any consistent benefit to patients from fundholding and when the Department of Health continues to obstruct any serious research into GP commissioning.

DR MICHAEL DIXON
Secretary
Mid-Devon Doctors
GP Commissioning Group
Cullompton, Devon

Destruction of Tito's legacy

Sir: It is not that Croatia's President Franjo Tudjman wears glittering uniforms like the Yugoslav leader Tito (leading article; "Curbing Croatia", 14 May) that should worry us. It is rather that Tudjman is playing a central role in destroying Tito's anti-fascist legacy and achievements. Tudjman's regime has adopted the ideology of the Hitler-backed Ustashe puppet state of Ante Pavelic.

That independent State of Croatia murdered tens of thousands of Orthodox Christians, Jews, Gypsies and Communists. It had a policy towards the Serbs of "convert a third, expel a third and kill a third".

Tudjman expelled 200,000 Serbs from their historic homes in Krajina. He has welcomed back fascists from exile including the last commander of the Jasenovac concentration camp. Now he wants to desecrate Tito's anti-fascist memorial at Jasenovac by commemorating dead Ustashe there alongside their victims.

Yet you advocate allowing Tudjman's regime to join the Council of Europe. There should be no question of letting such a regime into any institutions of democratic Europe.

MIKE GAPES MP
(Telford South, Lab)
House of Commons
London SW1

Labour control of Lambeth

Sir: I have lived in Lambeth for 14 years. It is one of the most depressing boroughs in London. Nothing works, we are overrun with traffic, council staff are negative about everything. May I point out to Jim Dickinson (Letters, 13 May) that Labour have controlled Lambeth all this time, but the changes for which he claims credit have only started since the Liberal Democrats swept the borough in the last local elections, giving them as many seats as the now reduced Labour group.

Otherwise I don't think Mr Dickinson's party would have changed its bad old ways. As a result of the mismanagement of Lambeth for so long, the council debt stands at approximately £2,200 per household.

ROSAMUND WEATHERALL
London SW4

Bupa's duty to its members

Sir: Dr Loveday (letter, 13 May) has a duty to represent the interests of consultants but Bupa, as a Provident Association with no shareholders, owes its prime duty of care to its members. It is, therefore, absurd to suggest that Bupa would promote any product that is not advantageous to those members, both in terms of quality and competitive premium price.

We have a good understanding of our members' requirements and I am confident that members of the Bupa Health Fund will have easy access to hospitals of the highest quality. In the rare case that these hospitals do not have appropriate facilities, members will naturally be approved to go to the best hospital available, which may often be one of the NHS specialist centres of excellence.

In summary, Bupa members will continue to be covered for appropriate treatment at quality hospitals which may – when necessary – include NHS trusts, but it should be remembered that our members, as citizens of this country, are also entitled to obtain their treatment under the NHS; this choice is fundamental and one which Bupa believes must be retained despite the pressures of the health care market.

A J VALLANCE-OWEN
Medical Director
Bupa
London WC2

Lessons Mitchell brought to the Spitfire design

Sir: Alan Clark's corrections (letter, 11 May) of Jonathan Glancey's article were welcome. But Mr Clark's claim that the Spitfire was an ingenious adaptation to military use of Supermarine's record-breaking seaplanes must not go unchallenged.

Undoubtedly R J Mitchell applied important lessons learned from his racing aircraft when he designed the Spitfire. However, the similarity between the two is only superficial.

The fuselage of the Spitfire is made up of sections bolted together with a separate tail unit, whereas the S.6 seaplane had a fuselage built as one piece including the large tail-fin. Amazingly this acted both as oil-tank and oil-cooler, from which lubricating oil was pumped back to the engine via further oil-coolers on both sides of the fuselage. Such an arrangement would put a war-

plane at risk from a single bullet. The beautiful cantilever wing of the Spitfire is an integral part of the airframe, strong enough to withstand the speed and stress of combat, as well as thick enough to accommodate eight machine-guns besides the retracted undercarriage. The S.6 used a thin wing of uniform chord and section which had to be heavily braced with wires extending downwards to the huge floats and upwards to the fuselage. This wing doubled as a radiator.

Mitchell's outstanding success with two very different designs for two very different purposes put him among the greatest aircraft designers of all time.

BOB TORRENS
Bristol

Sir: Alan Clark's reference to General Galland was perhaps ill-advised. In his book *The First*

and the Last Galland describes his encounter with Göring: "I should like an outfit of Spitfires for my group! After blurring this out, I had rather a shock, for it was not really meant that way. Of course, fundamentally I preferred the Me109 to the Spitfire, but I was unbelievably vexed at the lack of understanding and the stubbornness with which the Command gave us orders we could not execute."

This account must be seen in the context of his earlier comparison: "The modern Vickers Supermarine Spitfires were slower than our planes by about 10 to 15 mph, but could perform steeper and tighter turns ... Our armament and ammunition were also undoubtedly better." (Galland's assessment refers to the versions available in 1940.)

JOHN ALLENBY
Farnham, Surrey

The fraud dividend

Benefit fraud has become everybody's Bitch cow. Frank Field, the House of Commons Social Security Committee chairman, believes it is so endemic the social security system could be reconstructed on the savings from a crackdown. Chris Smith, Labour's spokesman, eyes it as a source of extra spending. Peter Lilley has plans for savings of £2.5bn a year.

Yet even MPs on the Commons Social Security Committee admitted at the launch of their report yesterday that their figure of one in five claims being fraudulent producing a £2bn or more loss on housing benefit was at the upper end of the spectrum. But that fraud has been growing is scarcely in doubt. The Government's switch of housing subsidies from bricks and mortar to individuals on housing benefit has more than doubled rents in the growing private sector. Housing benefit is almost unique in that payments can be made direct to landlords for months at a time. The attractions of that to organised crime and dodgy landlords are obvious.

A decade and a half of persistent and high unemployment may well have created a new culture of benefit fraud. The entrepreneurial skills that once would have gone into work in some cases go into making a decent living by ripping off the system.

Fraud must be tackled. Nothing is more likely to undermine support for welfare payments than a widespread sense that taxpayers' money is being systematically stolen. Many of the select committee's recommendations are sensible. But an element of hysteria is creeping into the discussion as one politician after another trumps the latest estimate of how much is being lost. And extremely careful thought needs to be given before government considers loosening the requirements of the Data Protection Act. There are a raft of other measures to tackle fraud – not least the new benefit card, improved data matching and investigation within the existing law, and increased home visits. A police state is no answer to the problems of a welfare state.

How to have your cake and wash with it

I suppose today I should really be writing about the shock news about Michael Howard – the revelation of fresh evidence, I mean, that suggests he should have been released from the Home Office years ago – but it is hard to write about Michael Howard in all this sunshine, so instead I propose to turn to something more interesting and more important, namely, what to do with all those things round the house that have reached the end of their useful life but which you haven't got the heart to throw away.

In almost every soap dish in every house I know, for instance, there is a generous-sized cake of soap, and under that piece of soap there are one or two or more tiny slivers from the previous pieces of soap which someone hadn't the heart to throw away, hiding under the big soap like snails under a stone.

Is this true of your house?

I thought so. You come to the point, don't you, where your piece of soap is too small to risk even taking into the bath or so tiny that you start mistaking it in your armpit when in the shower, and you should by rights have sternly thrown it away, but there is some part of you that says:



MILES KINGSTON

"Hold on! This little thing is pure soap! It is just as much soap as any other part of the cake! I will be infringing soap's basic rights if I throw this away! Also, there must be some use for it, if only I could think of it," and so you hang on to it and finally throw it away when it has become so soft and useless that it resembles more a bit of fish gut than anything else.

(There was a time when people would collect ALL their little slivers of soap and press them into one new, multi-coloured ball. However, it was so slimy and kept falling to bits so often that the idea was quietly dropped.)

Today, however, we have completed a survey of the 10 most common useless objects in the average household, that is, the 10 things people find hardest to throw away,

and we have come up with new and exciting uses for them. So cut this out and embroider it on your kitchen wall.

1. Empty matchboxes, or matchboxes that are almost empty except for used matches (see 5).

Empty matchboxes are ideal for reusing as gift boxes. You know when you have a present which is small yet quite valuable, like an earring or stash of cocaine, and you feel silly wrapping it in wrapping paper? Convert a matchbox using that tiny decorative bit of left-over gift paper you thought you'd never need, to encase it in a new glittery exterior!

2. Those useless slivers of left-over soap.

They may look useless to you, but they are exactly the same size as the cakes of soap you get in hotels these days! Just put one in a matchbox newly converted to a gift box and place it in your guest room marked "Courtesy Guest Soap". Now you'll never have to waste a proper piece of soap on a guest again!

3. Little left-over bits of wrapping paper. For converting matchboxes (see 1) or even better – for wallpapering doll's houses.

4. Corks from wine bottles.

In the old days children used to use burnt cork to make up their faces. Why don't they still? In our household we also use corks to tie to the end of kitchen sink plug chains so that when the chain has snapped off from its fixture, as it always does, the little chain doesn't disappear beneath a gallon of unbearably hot or dirty washing-up water so that you can never again pull the plug out, but floats neatly to the top waiting to be pulled, like an aircraftman in his inflatable lifeboat patiently waiting to be rescued. Well, to be honest, we don't, but I can see it would be a great idea.

5. Small, used matches.

Ideal for using as an emergency eye make-up stick, as substitute Rawlplugs, as units for stakes at card games, for making into ladders for hamsters' cages (using left-over dental floss as well, if you want to make it into a rope ladder), for converting into home-made cotton buds, for building huge models of St Paul's Cathedral, Houses of Parliament etc. (Just after they have burnt down. Otherwise, use clean new matchsticks...)

I'm sorry – I shall have to hold the other five over till tomorrow.

Baring denies incompetence and negligence

JOHN EISENHAMMER
Financial Editor

Peter Baring, the disgraced chairman of the collapsed merchant bank yesterday rejected repeated suggestions by MPs of incompetence and negligence, saying he was the unwitting victim of a deception that fooled everyone. "I do not think we were greedy, stupid or idle," Mr Baring retorted under a barrage of questions at the Treasury Committee.

Speaking with lengthy pauses, at times refusing comment on MPs' remarks, Mr Baring said of himself and the bank's very top management: "We felt we were on our toes and the Bank of England felt the same. But we were deceived."

Mr Baring, with Andrew Tuckey, former deputy chairman of Baring, were giving the first public evidence on the crash of Britain's oldest merchant bank under nearly £900m of unauthorised derivative losses in February last year.

Nervously twiddling his thumbs during the two-hour grilling Mr Baring rejected the notion that he held the main responsibility for failing to spot the actions of Nick Leeson, the Singapore trader. "I know who I think was responsible. But I am not prepared to apportion responsibility for the insolvency. I share it with colleagues

more directly involved in the management of Leeson but it is not appropriate for me to allocate responsibility between them."

Confronted by an MP, with the Singapore investigators' judgement that top management was glib and naive Mr Baring retorted: "I think that is an absurd suggestion." He confirmed he received a total remuneration of £1.25m in 1993, and Mr Tuckey £1.95m, as Leeson's fraudulent trading grew undetected. Asked whether he felt a moral responsibility to pay some back to investors who lost in the collapse Mr Baring refused to comment.

Repeatedly stressing that they were hoodwinked, Mr Baring insisted the sort of profits Leeson claimed to be delivering were credible: "We had direct experience of a number of operations in the Baring group where substantial profits emerged quickly. What we believed was that this business could not go on for ever but it was not inherently implausible."

Questioned about the massive transfers of funds from London to finance Leeson's trades, \$750m (£500m) in February alone, Mr Baring and Mr Tuckey said they had no detailed knowledge of the flow of money.

"The exact numbers were not made available to us. No, I did not seek to find out what the

numbers were," Mr Tuckey said. Mr Baring said he was not on that management committee. "I do know who is responsible for the loss but I won't comment on it."

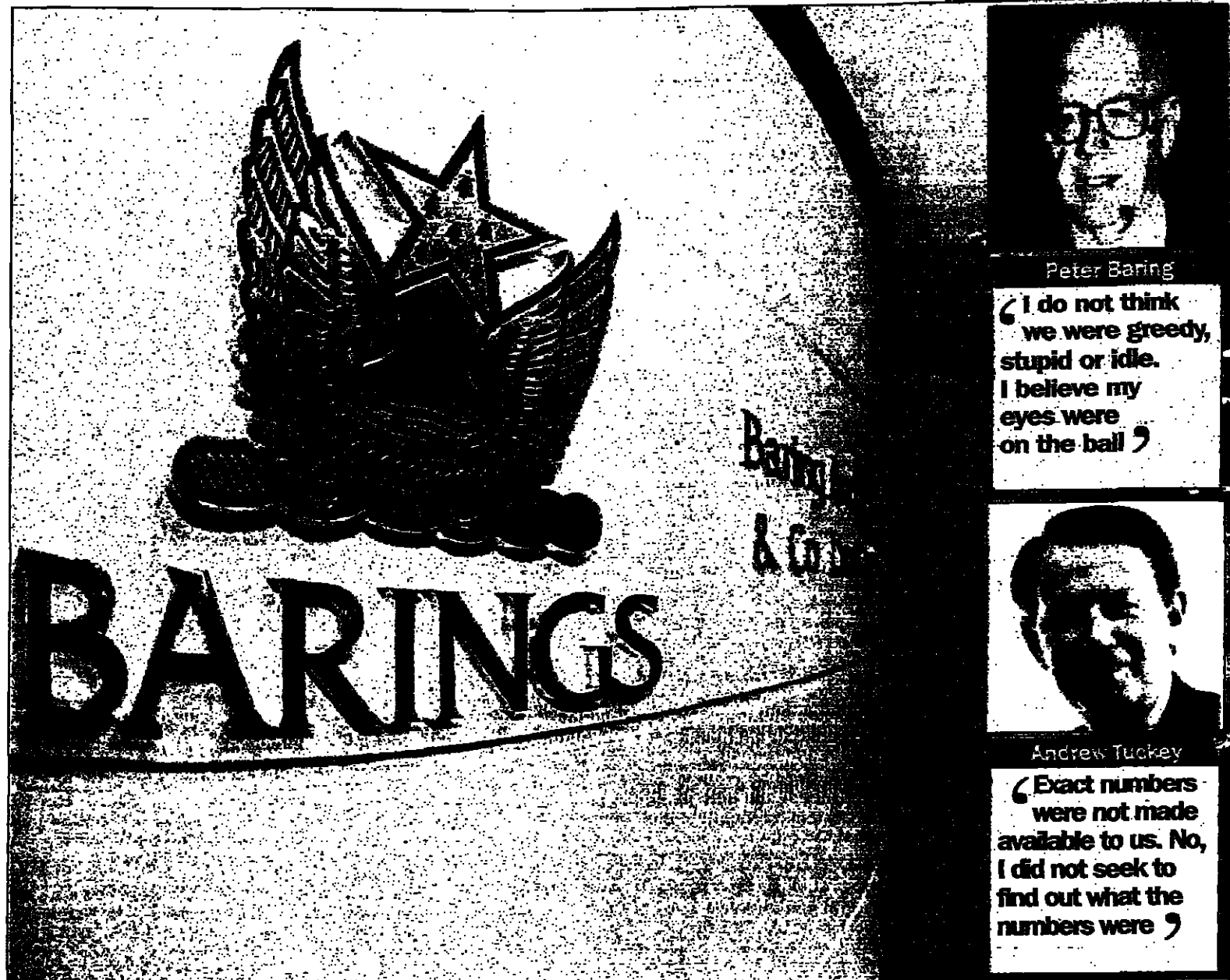
Both men said it was normal for large sums to be used for the sort of low-risk business that Leeson was meant to have been carrying out.

"We did ask the relevant questions. We asked them repeatedly. It never occurred to us that the profit flow was spurious, it was not implausible," Mr Baring said.

"On the face of it there was no reason to doubt Leeson's reporting... I believe my eye was on the ball."

Mr Baring said there was no house rule that the back office which did the accounting, should be separated from the front office, which carried out the trading, because it is "something so obvious you don't even think of saying it. It is like telling a child not to walk in the middle of the road." However, the Bank of England and Singapore inspectors identified the confusion of back and front office roles - Leeson had control of both - as the fatal flaw in Barings' weak controls.

Asked why this had been allowed to happen in Singapore and not been corrected, Mr Baring said: "There were people on the ground in Singapore in a position to observe that, and



people elsewhere who should have known."

At the beginning of the hearing Mr Baring expressed deep regret for the collapse of the bank that bore his family name: "It was the last thing I expected.

It was absolutely inconceivable. I was absolutely amazed."

Mr Baring and Mr Tuckey were earlier this year cleared of direct responsibility for the Barings' fiasco by the Securities

and Futures Authority, but the City watchdog made it clear that it was unhappy with the way this decision was seen.

Mr Baring has retired from business life while Mr Tuckey continues as a senior consultant

for Barings under its new Dutch owners ING.

Because the committee hearing lasted longer than expected, Peter Norris, the former chief executive of Barings who was recently banned from work-

ing in the City for three years and fined £10,000 by the regulator, and Geoffrey Barnett, former chief operating officer who was cleared by the regulator, were asked to return to give their evidence at a later date.

EU expects Britain to miss 1999 currency target

SARAH HELM
and DIANE COYLE

The European Commission declared yesterday that the 1999 target date for the single currency is still realistic, but courted controversy by predicting that France and Germany would meet the key economic target in time to qualify while the UK would not.

According to the Commission's spring forecasts, France and Germany will have brought their budget deficits below 3 per cent of gross domestic product by the end of 1997. It puts Germany's deficit at 2.9 per cent and France's at 3 per cent.

However, the Commission predicts Britain will have a budget deficit of 3.7 per cent.

The suggestion that the UK cannot hope to qualify for the single currency is likely to irritate Chancellor Kenneth Clarke.

Some officials yesterday suggested the EU forecasts for France and Germany were not credible. Independent economists also expressed scepticism about the Commission's predictions.

Ian Harwood, an economist at investment bank Kleinwort Benson, said: "There seem to be some heroic assumptions about fiscal retrenchment in France and Germany." Stephen King at James Capel said: "There is very little chance that those two countries will meet the target."

The Commission assumes that the radical austerity plan proposed by Helmut Kohl, the

German Chancellor, will be implemented. Its predictions also take into account budget-cutting measures in France. But they do not appear to incorporate published British budget plans.

The Treasury's last forecast put the UK budget deficit at 2 per cent of GDP in the 1997/98

financial year. Its July prediction is likely to show that it will remain below 3 per cent even taking recent borrowing overruns into account.

The Commission acknowledges that the economic forecasts remain subject to "considerable uncertainties", warning that if efforts towards

sounder public finances were to prove insufficient the results could be very different.

Germany and France have a long way to go. At the end of 1996 Germany's budget deficit is expected to be standing at 3.9 per cent, while the French deficit will still be 4.2 per cent. Seven countries will have met the budget deficit test by 1997, according to the Commission. Yves-Thibault de Silguy, the economics commissioner, said yesterday there would be a "significant number" of member states ready to go ahead in 1999. Under the Maastricht criterion for public debt, only three countries would qualify by 1997, but the debt rule leaves greater scope for flexibility.

The Commission's predictions defy the sceptics who believe the 1 January 1999 target date for the launch of monetary union cannot be met. Last month, the Organisation for Economic Co-operation and Development said both Germany and France would have budget deficits above the 3 per cent mark in 1997.

However, the Commission's optimism was tempered by gloomy predictions for economic growth. This year EU growth is expected to fall to only 1.5 per cent, against a forecast of 2.6 per cent six months ago. Growth will accelerate to 2.5 per cent in 1997. It reckons Britain will have the fastest-growing economy this year and next.

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	Estimates	Forecasts	Forecasts
	1995	1996	1997
France	-5.0	-4.2	-3.0
Germany	-3.5	-3.9	-2.9
UK	-6.0	-4.4	-3.7

Earnings pick-up mars dip in unemployment

DIANE COYLE
Economics Editor

The number of people claiming unemployment benefit fell to its lowest for five years in April, while earnings growth picked up in February and March.

The Government hailed the fall of 3,200 in the official level of unemployment to 2,183,500 last month as further evidence of the success of its deregulation of the labour market.

Employment Minister Eric Forth said: "We have more of our people in jobs and fewer out of work than any other European country."

But Michael Meacher, his Labour Party counterpart, said: "These figures show the decline in unemployment is rapidly petering out." The BSE crisis would lead to more job losses in the next few months, he said.

Even though the Treasury

said the pay figures were consistent with a low-inflation outlook, the financial markets focused on the unexpected rise in underlying average earnings growth. It was revised up to 3.7 per cent in February and the same in March.

Traders in the futures markets are now betting that base rates will climb half a point to 6.5 per cent by the end of the year. Their concern over yesterday's figures follows the Bank of England's signal in its Inflation Report on Tuesday that longer-term inflation risks meant the cost of borrowing might have to rise.

Unemployment fell by far less than its average of 13,500 in the past six months, but official statisticians said it remained on a downward trend of about 10,000 a month. A variety of special factors meant last month's fall might have been understated.

The proportion out of work

for more than a year fell to 36 per cent of the claimant total, or 806,300 people. This was the lowest for three years. Unemployment amongst the under-24s fell by 64,000 in the year to April. The number of claimants rose in six regions of the UK and fell in five, in a possible early warning that the north-south divide might re-open. The biggest drop by far was a decline of 6,000 in the South-east.

The number of vacancies at JobCentres increased for the third month running. Some City analysts were also concerned about the upturn in average earnings growth. Underlying earnings have picked up in manufacturing and services since the new year, reflecting higher settlements and bigger bonuses in financial services. However, others said that increases below about 5 per cent did not pose an inflationary threat.

Railtrack allocation to Sids likely to be raised

PETER RODGERS
Business Editor

The Government is expected to raise private investors' allocation of shares in Railtrack to between 45 and 50 per cent, after more than 500,000 retail applications had been counted by last night.

Private investors had been promised a minimum of 30 per cent of the £1.95bn flotation. But advisers believe that with as much as £1.2bn of private cash chasing the shares interest should be strong enough to raise the allocation to between 45 and 50 per cent.

A big increase in the retail offer would undermine government claims that the flotation is a success, despite the barrage of bad publicity and threats by Labour that if it gets into power it will reduce the profitability of the privatised owner of the rail network. Ministers are likely

to say that the level of interest in Railtrack by the public confounds the critics.

At the minimum level of a 30 per cent allocation of the shares, retail investors would receive less than £500m worth and their part of the offer would be twice subscribed.

There are already indications that the institutional offer is more than four times subscribed, and considerably more if the allocation is cut back to make way for retail investors.

At these levels of demand the price is certain to be fixed at or near the top of the 350p to 390p share range on Friday evening, when the institutional sale is finalised. Private investors will receive a 10p-a-share discount on the institutional price.

There are likely to be intense discussions among government advisers about the exact level to which the retail allocation of

shares be raised, which will depend on how far they think the institutional offer can be squeezed back without offending international investors.

If the institutions' allocations are restricted and they are short of stock, it could give a boost to the price when trading starts next Monday, which will give the Government more ammunition in the slanging match with Labour over whether Railtrack is a good deal for investors.

The exact number of applications has yet to be determined but with more than 500,000 counted last night there were expectations of a total in the region of 550,000. Applications look set to be a little over a quarter of the 1.9 million who registered in advance for special discounts.

On past privatisation experience, average applications are likely to be a little above £2,000.

Index	Close	Day's change	Change (%)	1995 High	1995 Low	Yield (%)
FTSE 100	3776.20	+16.50	+0.4	3657.10	3639.50	3.95
FTSE 250	4508.80	-1.00	-0.0	4568.60	4015.30	3.32
FTSE 350	1911.30	+5.40	+0.3	1945.40	1816.60	3.80
FT Small Cap	2238.43	+3.55	+0.2	2238.43	1954.06	2.90
FT All Share	1896.39	+8.08	+0.3	1924.17	1791.95	3.73
New York	5653.15	+28.44	+0.5	5689.74	5032.94	2.20
Tokyo	22055.97	+754.92	+3.5	22282.05	19734.70	0.731
Hong Kong	10863.83	+45.95	+0.4	11594.99	10204.87	3.351
Frankfurt	2528.75	+9.02	+0.4	2650.18	2284.86	1.871

Source: FT Information

Short sterling*	UK medium gilt	US long bond
3 months	6.75	7.25
6 months	6.75	7.25
1 year	6.75	7.25
2 years	6.75	7.25
3 years	6.75	7.25
5 years	6.75	7.25
10 years	6.75	7.25
30 years	6.75	7.25

Index	Close	Day's change	Change (%)	1995 High	1995 Low	Yield (%)
£/\$	1.5121	-0.22c	-1.5699	1.5121	1.5121	0.6369
£/¥	151.40	+75.65c	1.5700	151.40	151.40	0.6369
DM/\$	2.3212	-0.750c	2.2555	2.3212	2.3212	0.6369
¥/DM	161.682	+Y1.136	135.955	161.682	161.682	0.6369
£/DM	84.5	-0.2	84.5	84.5	84.5	0.6369

Source: FT Information

Source: FT Information

Source: FT Information

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FT attacks mortgage co

Credibility question looms for monetary union

COMMENT

The Commission appears to have done little more than accept French and German assurances that borrowing will be below the 3 per cent ceiling, whatever it takes. This, of course, is not a forecast, but a statement of intent.

For those who believe the beef crisis nothing less than a Continental conspiracy to punish Britain for its Euro-sceptic tendencies, here's another wonderful piece of apparent victimisation to add to the list. Thanks to a skilful feat of economic forecasting, the European Commission has predicted that the French and German governments will get their deficits below 3 per cent of GDP next year while the UK will be above the Maastricht limit with 3.7 per cent. But although this may look like another case of EC Brit-bashing, it is actually more subtle than that.

The forecasters seemed to be accepting reality as far as Britain is concerned while ignoring it for the two main Continental powers. Clearly it is better for the Commission to strain our credibility than to rock the boat by saying that a dismal growth outlook means France and Germany will fail to qualify for the single currency either.

To reach the conclusions it has, the Commission appears to have done little more than accept French and German assurances that borrowing will be below the 3 per cent ceiling, whatever it takes. This, of course, is not a forecast, but a statement of intent. On the other hand, the Commission has rightly taken with a pinch of salt the official UK prediction that it can get borrowing on a path towards 2 per cent of GDP with a general election looming. At best we have an inconsistency of approach. The less charitable view is that the forecasts have been

deliberately stretched to reach the right political conclusions. Along the way the Commission has also highlighted some of the pitfalls of the single currency timetable. One is obvious. The Governor of the Bank of England - by no means a bleeding-heart Keynesian - has recently expressed concern that the bid to cut government deficits in the sprint for the finish could send the Continental economies into a spiral of slower growth and even bigger deficits.

Another is the vexing question of where these budget cuts will be made. It is probably right not to admit yet that the 1999 start date will require either extraordinarily painful budget cuts or Euro-fudge on a massive scale to allow enough countries to qualify for the single currency. To do so too early would reduce the momentum that many countries need to bring down excessive government borrowing and restructure expensive social security systems. But the admission will have to be made sooner or later. If it is left too late the project of monetary union will be destroyed by its lack of credibility.

Time running out for power shareholders

There ain't much danger of British Gas-style shareholder expropriation - if that is indeed what the regulator's new pricing proposals add up to - in the electricity industry, not for the present generation of investors anyway. Scarcely a week seems to pass without news of some massive new electricity share buy-back or takeover bid. The way things are going, the industry will soon have repaid its entire capital - which for the five to six years it has been in the private sector is not bad going. With the benefit of hindsight it is clear that both the regional electricity and power generation companies could have been privatised with much higher levels of debt.

PowerGen's buyback proposals announced yesterday will bring to nearly 30 per cent the amount of capital this particular company has brought back since privatisation, all of it at considerably higher prices than the knock-down level at which it was sold. On top of that, investors will have received 65p a share in dividends taking into account the present year's bumper payout. For the present generation of shareholders at least, electricity is proving a fabulous investment. But if gas and BT is anything to go by, it will not always be so. Clare Spottiswoode-type regulation - possibly in person as well as tone (for it is hard to see the present incumbent, Professor Stephen Littlechild, surviving a change of government) - is only a matter of time.

The message for investors is get out while the going is so good. Which is precisely what the big tax-exempt funds will be doing the moment PowerGen launches its buy-back, taking in a handy 20 per cent tax credit along

the way. PowerGen insists that the buy-back net will be spread as widely as possible, but there seems not much doubt that most Sids will be left out of the action. They will probably also still be there, naively believing this a nest egg they can safely tuck away and forget about, when the regulatory screw begins to tighten viciously around this industry in a few years' time. All those arguments about the earnings-enhancing power of share buybacks, their ability to deliver a more efficient capital base, etc, etc, no doubt have their meaning and place, but the fact of the matter is that the special dividend payment, paid to all, is still by far the most equitable way of paying back capital.

A whole new world of social security risk

It is hard to picture Peter Lilley queuing up at the local post office to claim his state pension using one of the blue-and-gold smart cards he was proudly holding aloft yesterday as the Government trumpeted its latest drive to eradicate social security fraud. It is also difficult to imagine that ICL and the other private sector partners in this particular venture will find it quite the little money-spinner that the headline figures suggest. The Post Office Counters Automation Project, as it is known, is the latest example of what can be done under the private finance initiative. This is a wheeze for transferring

risk from the public to the private sector at the same time as transferring a good deal of government costs from the pot marked capital expenditure today to the one marked current expenditure tomorrow.

The actual capital sum involved in buying the hardware, installing it and then training subpostmasters in using it is only about £200m. But in order to make the project look like another big leap forward for the PFI the figure of £1bn was conjured out of the hat. This is the total revenue that could accrue to ICL and its partners over the eight-year contract concession.

That could prove a tall order. It depends on people not deserting the Post Office in droves and having payments such as child benefit and pensions paid direct into their bank accounts. It also depends on the smart-card technology attracting a whole range of other revenue from the payment of television licences to utility bills.

It also depends on unscrupulous claimants not finding a way to cheat the system - since all such fraud risk will be down to the operators.

Finally it depends on the technology working to specification and on time. In this respect the £100m project to overhaul the National Insurance computer system is far from heartening - the project is already months behind schedule, resulting in £12m in penalty payments so far.

That, we are told, however, is what the PFI is all about - risk transferal.

PowerGen mulls plans for £1.5bn expansion

MICHAEL HARRISON

PowerGen is prepared to spend up to £1.5bn on an acquisition outside the UK electricity industry if it is blocked long-term from buying a regional electricity company, chief executive Ed Wallis said yesterday.

He also disclosed that PowerGen may dispose of its 50 per cent interest in the North Sea gas joint venture Kinetica, which ran up losses of £37m last year on take-or-pay contracts with North Sea suppliers.

Mr Wallis, who takes over as chairman shortly from Sir Colin Southgate, said it remained PowerGen's preferred option to expand its UK electricity operations before the opening up of the domestic market in 1998.

However, if it was prevented from doing this by regulatory obstacles then PowerGen had other strategies which included overseas expansion or acquisition within the UK. Some analysts have speculated it might be interested in a water company.

PowerGen also re-iterated that it did not plan to go ahead with the sale of two power stations to the Hanson-owned Eastern Energy until it had received "regulatory clarity" from the industry regulator Professor Stephen Littlechild.

PowerGen put the plant disposal on hold after its bid for Midlands Electricity was blocked by the President of the Board of Trade, Ian Lang, on the advice of Professor Littlechild.

Mr Wallis said: "It is important we get some clear indication what regulatory impediments they saw which blocked the deal because otherwise we are left believing the decision was reached for political reasons."

He said it would be a "very simple thing to resolve" and

only required Professor Littlechild and the Government to explain the ground rules for competition in electricity generation and supply.

He was speaking as PowerGen unveiled a 26 per cent increase in pre-tax profits to £687m and a 40 per cent increase in the dividend and confirmed that it intends to buy back 10 per cent of its shares at a cost of about £400m.

PowerGen warned, however, that difficult trading conditions experienced by Kinetica, which is jointly owned with oil group Conoco, meant it was considering whether to dispose of its half share or renegotiate its gas supply contracts in light of the problems caused by the collapse in spot prices.

Half the £37m loss that PowerGen booked last year was due to actual trading losses and half was a provision for future losses that could be identified.

Kinetica was formed in 1990 and has grown to become one of the top three independent gas suppliers with more than 9,000 industrial customers and about 10 per cent of the commercial gas market. It made profits in 1993 and 1994 but the sharp fall in spot prices - which are now around 10p a therm - had resulted in heavy losses in 1995.

The headline pre-tax profit of £687m included exceptional credits of £121m resulting from the release of provisions for long-term liabilities that are no longer required. At the operating level, profits increased by a more modest 4 per cent, from £545m to £566m. The increase in the total payout for the year to 21p reduces dividend cover from 3.3 to 2.7 times earnings.

PowerGen said it would attempt to make the share buy-back accessible to as many shareholders as possible.

Comment, this page

SIB seeks help on opt-out pensions

PETER RODGERS
Business Editor

The Securities and Investments Board yesterday asked the insurance industry to give voluntary help to up to 150,000 people who have been hit financially after contracting out of the State Earnings Related Pension Scheme.

Their total losses may be up to £38m, but this compares with gains of as much as £100m for the rest of the 5.5 million people who opted out of Serps and invested the generous Government rebates in personal pensions.

The decision to go for voluntary help is a sharp contrast with SIB's approach to the wider personal pensions crisis over mis-selling, where firms have been ordered to make payments to compensate victims

who had been wrongly transferred into private pensions.

Six banks that sell pensions as well as a number of large insurance companies such as the Prudential gave firm backing to the proposal by Sir Andrew Large, chairman of SIB.

The British Bankers' Association Bancassurance Group, representing Abbey National, Barclays, Lloyds TSB, Midland, NatWest and Royal Bank of Scotland, said members would waive future flat-rate charges for the problem pensions identified by SIB.

Sir Andrew made clear that if there were any recalcitrants in the insurance industry who refused to help he would publish their names.

He added that his voluntary plan did not close off customers' option of complaining

formally to SIB if they got no satisfaction. But he expected most companies to comply.

SIB said research by actuaries had shown the Serps problem to be surprisingly limited in scope compared with mis-selling of personal pensions.

The main reason is the generosity of the Government's rebate for opting out, which is worth an average £1,000 each for those who have not opted back in, and probably £100m in total to nearly 5.5 million people.

This is the additional value of their pensions created by investing the rebate, compared to the value of staying in Serps.

The Government's 6 per cent rebate for opting out was topped up with an additional 2 per cent and this package acted as a financial cushion against the high fees charged by some

insurance companies. These fees ate into the capital value of those personal pensions which were funded mostly or entirely by the rebate.

The generosity of the rebate limited the number who lost money by contracting out to between 43,000 and 238,000 people, according to research for SIB by the actuaries Alexander Clay & Partners. Their losses were between £10m and £38m.

SIB's best estimate is that the number of people who lost money is unlikely to be above 150,000 of the 5.5 million who contracted out.

The losses were mainly incurred by younger people on low incomes or who became unemployed, and whose private pensions were mainly or wholly made up from the Serps rebates.



Oil drum: Protesters outside the Shell meeting yesterday. Photograph: Philip Meech

Minute's silence at Shell agm

A minute's silence was held yesterday during Shell's annual general meeting in memory of the author Ken Saro-Wiwa and nine other human rights activists executed by the Nigerian military regime last year, writes Patrick Towher.

Responding to a request from a shareholder, Shell's chairman John Jennings agreed to pause for quiet reflection in the spirit of reconciliation at the meeting at the Queen Elizabeth II Centre in London.

Shell is the main foreign oil producer in Nigeria and its dealings there have come under increased scrutiny since the Ogoni leaders were hanged in November.

Mr Jennings' highly unusual gesture was very much in keeping with the subdued mood of the meeting, which in the past has been disrupted by environmental, human rights and anti-apartheid groups.

OFT attacks code of mortgage conduct

NIC GIGUITI

John Bridgeman, director-general of the Office of Fair Trading, yesterday attacked a planned mortgage lending code of conduct for a series of "shortcomings" that risked turning its proposals into a dead letter.

Mr Bridgeman claimed that the code's most serious failing was the absence of any sanctions against lenders that flout its provisions.

He also attacked the code for not ensuring that information provided to potential borrowers was sufficiently clear and for forcing them to sign a declaration saying that they had chosen their own mortgage for themselves.

"I worry because the borrower may perhaps be unilaterally giving up his right to redress for bad advice," Mr Bridgeman said.

The proposed code of conduct was published last year by the Council of Mortgage Lenders. Its aim is to ensure that

borrowers will receive unbiased advice on the loans they are taking out.

However, Mr Bridgeman told delegates at the Building Societies Association's annual conference in Birmingham yesterday that while he was generally in favour of self-regulation by mortgage lenders there were several issues that still needed to be ironed out.

"The CML code of conduct is exceptionally good news. Though I am pleased at the attempt to promulgate best practice in the marketing of mortgages, I should like to know what sanctions there will be against any members failing to observe the provisions."

Meanwhile, Woolwich Building Society moved yesterday to quell doubts over its £3bn flotation plans by announcing the appointment of a new finance director in place of Michael Tuke. Robert Jeens, currently the group finance director at Kleinwort Benson, will join Woolwich next month.

P&O wants ban lifted on ferry merger talks

TOM STEVENSON
City Editor

Lord Sterling yesterday stepped up his efforts to secure government approval for merger talks between P&O and Stena Sealink, writing to Trade and Industry Secretary Ian Lang to ask for a 15-year-old restriction on talks to be lifted.

The P&O chairman denied, however, that the talks were a prelude to an imminent tie-up between the company's cross-Channel operations and Sealink's. Both services have been hit hard by competition from the Channel tunnel, which has taken 40 per cent of cross-Channel traffic.

In the letter, Lord Sterling said: "The Channel tunnel has had, and will continue to have, a profound and irreversible effect on the market." A spokesman for the Department of Trade and Industry said Mr Lang would make a decision "in due course".

P&O said two weeks ago

that it would be seeking to have the restrictions lifted. They date back to 1974 when the company agreed not to discuss fares or co-operation with rival ferry operators. It asked for the undertaking to be cancelled three years ago but had its request turned down.

The Government said at the time it would have to wait until data on the Channel tunnel's effect on the ferry operators was available. P&O said it now was, having started last month to publish a quarterly review of its traffic figures. Those showed a 17 per cent decline in P&O's ferry traffic compared with a year earlier.

Commenting on his request, Lord Sterling said: "The tunnel has a major share of cross-Channel traffic. This has completely transformed the market. In addition, competition law in both the UK and Brussels has developed in such a way as to make the undertakings redundant. There is an overwhelming case for them to be removed."

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16th May 1996

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business

Argyll sees more growth in store

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

The Cassandras have been saying for years that UK supermarket groups are facing saturation, but the hard evidence remains thin on the ground. The latest problems of Sainsbury and Kwik Save appear self-inflicted and Argyll, owner of Safeway, remains confident there is still plenty of scope for new supermarkets in the home market.

Certainly, yesterday's results for the year to March show few signs of slowdown at the owner of Britain's third-largest food store chain.

The figures were distorted by some one-offs, but an underlying profits rise of 7 per cent to £401m was a creditable achievement in a year that has seen thousands of job losses and a complete upheaval in the business. More importantly, after five years of rises averaging 0.2 per cent a year, like-for-like volumes shot up 4.7 per cent in the core Safeway chain last year. There has been no let-up into the new year, either, with like-for-like sales 6.1 per cent ahead in the first five weeks. Clearly, Argyll's drive to win customers is working. It has selectively cut prices, its ABC loyalty card rolled out last autumn is held by nearly 4 million customers and it has taken the initiative on innovations such as dry-cleaning, self-scanning at checkouts and credit cards.

The latest move to bring the group name and the Safeway umbrella to the conclusion of these efforts to focus on and build the key brand. It all looks eminently sensible, but supermarkets are clearly having to work much harder to hold their own and Argyll's room for manoeuvre is becoming more constrained.

Last year's sales rise was won at some cost to margins, which fell 0.1 per cent to 6.9 per cent at Safeway. Cost savings could not quite offset the 1.1 percentage point hit as a result of "fiercely competitive market conditions" and the loyalty card launch. Those competitive pressures show no sign of letting up.

Meanwhile, the group's store opening programme continues to decelerate. Sixteen or 17 a year will now be the norm, compared with 26 as recently as two years ago, while capital expenditure will fall from last year's £461m to under £400m in 1996.

Emphatically ruling out any adventures overseas à la Sainsbury and Tesco and with cash neutrality impending next year, Argyll seems inexorably being driven to use its spare capital to buy back shares. It is therefore significant that it has already decided to raise its request to shareholders for authority for share buy-backs from 4.4 to 10 per cent. If profits rise to £455m this year, the

shares, down 3p at 340p, stand on a lowly multiple of 12 and look a low-risk bet on the sector, even if growth is never again likely to match the heady rates of the 1980s.

Astute work at Greenalls

Greenalls has been one of the stock market's brightest success stories thus far in the 1990s. From sleepy family-run brewer, with an antediluvian share structure to boot, the company has taken just five years to become one of the country's leading leisure businesses, a dominant pub owner and a member (just) of the FT-SE 100.

Like Whitbread, it read the runes astutely in the wake of the 1989 beer orders and realised that the future of beer lay in how it was marketed not brewed, retailing not manufactured. That judgement informed the acquisitions of Devonish in 1993 and Boddings last year, two companies that had come to the same conclusion themselves.

Half-year figures to the end of March confirmed that the second, and larger, of those deals is bedding in nicely. Pre-tax profits of £79.6m, 41 per cent ahead, received a big kick from Boddings, but the underlying picture, showing profits 11 per cent higher, remains encouraging.

Reassuringly, the deal failed to dent earnings per share, which ended the half 10 per cent better at 16p, and the dividend was increased by 8 per cent to 6.22p.

Why the shares should have fallen yesterday, by 20.5p to 590.5p, is therefore something of a mystery, although after Greenalls' strong run over the past 18 months, during which it has outperformed the market by 16 per cent and entered the top flight, a pause for breath was to be expected.

Despite unquestioned success in managing pubs, pushing beer sales through an attractive, higher-margin food offering, and making a decent fist of tenanted outlets, the market keeps finding things to worry about.

Profit growth in managed inns, at 7 per cent last year, was less than even the troubled Allied Domecq claimed

earlier this week, and there is nagging doubt that Greenalls is rather better at spending cash than generating it. Arguably, however, those concerns are factored into Greenalls' share price, which, on the basis of forecast profits this year of £150m, trades on a price-earnings ratio of 15. That is one of the few opportunities in this sector to invest at anything like a market rating and is reasonable value.

Can Tadpole jump higher?

Has the tide turned at Tadpole Technology? Yesterday the shares, among the most volatile and popular on the stock market, rose 6p to 59p as the computer laptop specialist released interim results showing a reduction in pre-tax losses from £5.9m to £1.7m.

The shares had been sinking fast since computer giant IBM pulled the plug on selling Tadpole's computer notebook and ambitious sales and profit forecasts were missed by a country mile.

From a high of 440p just 18 months ago, Tadpole plummeted to an all-time low of 43p before stabilising. But with the company apparently swimming back into the black – if not this year then perhaps in 1998 – investors may be tempted to back its world-beating technology and take the plunge at these levels. They should look before they leap.

A lot is also riding on Alphabook, the world's most powerful notebook computer which was developed with Digital of the US. First customer shipments took place in February, but it is far too soon to know whether revenues will match the hype. That is Tadpole's basic problem: it has yet to show it can manufacture volume products at the right price and sell them at a profit.

Tadpole's ability to spring unpleasant surprises is another concern. For example, second-quarter revenues of £6m were actually £1m below first-quarter sales. Tadpole blamed the shortfall on delays with a board manufacturing contract, but shareholders could be forgiven a sense of déjà vu.

All of which suggests Tadpole will struggle to ever make the substantial profits that would justify a much higher share price. True, shares in Psion, another British company to claim world leadership in portable computers, sprouted wings in the last year.

But in a sector where products enjoy short life-cycles, Tadpole will have to move far more nimbly to realise its undisputed commercial potential. Best watched from the edge of the pond.

Now Harry has Molly to behave badly with

CITY DIARY

JOHN WILLCOCK

Only people living on Mars could have failed to see the cute TV ads by Safeway starring Harry the four-year-old, whose innermost thoughts are spoken by actor Martin Clunes, he of *Men Behaving Badly* fame.

On Tuesday Safeway owners Argyll unveiled a new series of ads, *When Molly met Harry*, introducing an equally cute three-year-old girl, Colin Smith, Argyll chief executive, was delighted to cavort with the kids for the launch of the campaign at the company's Camden, London, branch. The company restructuring 18 months ago means Safeway accounts for 93 per cent of operating profits – so Argyll will rename itself Safeway following this year's agm.

Not all is sweetness and light. One of our Safeway spies tells us that, away from the cameras, Harry is "a bit of a prima donna, a right little Lord Funtleroy". A natural actor, in fact.

Congratulations to Salomon Brothers' newly appointed senior German economist in Frankfurt, Gernot Nerb.

"We are delighted to welcome Mr Nerb as a member of the team," said his new managing director, Kermit L. Schoenholz. Nerb, in Kermit – there must be a TV series there somewhere.

Turning people down for a bank loan can be a tricky business. With the onset of the Data Protection Act it's getting even trickier. Barclays Bank dominates the

Deutsche Morgan Grenfell was doing what it does best yesterday, poaching two top people from UBS and emulating the Swiss bank in the process. But this time was special. Morgan Grenfell is going back into UK equities, having scrapped its department eight years ago by sacking 450. The new operation will be headed up by John Smith, until yesterday morning UBS head of European equities, backed up by UBS head of institutional sales Mark Rutherford. As usual with DMG signings the rumoured package is in the million bracket. DMG will hire another 75 professionals by the end of the year.



Knees-up: Colin Smith with child stars Harry and Molly

small business lending market in the UK, along with NatWest.

Yesterday Barclays launched its lending adviser system, designed to help branch managers make loan decisions. The general idea is you tap in all the various numbers about the company and the answer pops out at the end.

The human factor rears its ugly head, however, with something called the "ethics box". This is the part of the paperwork where the bank manager has to rate the management under a series of headings, in descending

order: "Scrupulous, moral, opportunistic, law-abiding, law-breaking, unscrupulous, fraudulent." Since this is all fed into a computer, the management can ask to see what the manager has said about them. If they think it's damaging, they may even require Barclays to prove the judgement in court. And you thought technology was here to help.

Eurostar's marketing push has had a pretty rocky start but that has changed now Richard Branson's Virgin is involved in the UK end of the Channel operation. Yesterday the company offered a carrot to customers – buy a first class return ticket to Paris and get a standard return free. Hacks enjoyed the Branson touch when they were presented with real carrots in tasteful little plastic holders bearing the inscription, "A carrot by any other name." The man's a genius.

Bank of Ireland rises 13%

ALAN MURDOCH
Dublin

Bank of Ireland yesterday reported a 13.6 per cent improvement in underlying pre-tax profits to Ir£363.7m (£374.6m) in the year to 31 March, although restructuring costs of Ir£48m following the merger of its US interests lowered final earnings.

Pre-tax profits after the US exceptional item were down Ir£62m on 1995 to Ir£315.6m, but earnings per share before the US charge matched expectations at 51.6p, up 17.8 per cent.

Retail earnings, up 7.5 per cent, were lower in Ireland and Britain than some had hoped against net interest margins down 10 per cent and tight competition. But deposits and credit balances in the Irish Republic and Northern Ireland rose strongly by 11 per cent in a more confident business climate.

Operating profit, up 14.3 per cent, was boosted by higher-volume turnover in key sectors including home loans, where the group's market share performed well. Tax of Ir£101.7m (27.8 per cent), was slightly lower than anticipated.

Surging Irish growth was reflected in net interest income up 7.4 per cent to Ir£46.7m, despite declining interest rates.

Operating costs rose 2.6 per cent, with staff costs up 9.6 per cent partly due to 250 new temporary staff and centralisation. Other operations, including asset management, stockbroking and life assurance divisions, failed to match early strong performance in the second half.

BoI's US First New Hampshire subsidiary, once a heavy loss-maker after its 1988 purchase, has been restored. US interests raised profits last year by 80 per cent last year to \$78.5m (£52m).

With its US Holdings last month merged with the Royal Bank of Scotland's subsidiary, Citizens Financial Group, the 33.5 per cent BoI holding in the enlarged venture is valued at \$435m. BoI received a further \$215m in cash and \$20m in loan notes on completion. BoI may participate fully in any new equity issue.

Group debt provision was slightly reduced from Ir£193m to Ir£184m as write-offs declined from Ir£50.7m to Ir£28.1m. Assets rose 12.2 per cent to Ir£211bn.

Strong life growth cushions CU

JOHN EISENHAMMER
Financial Editor

Strong performances from its large life insurance and overseas operations helped Commercial Union offset many of the harsh winter conditions in the first quarter of this year. Pre-tax operating profit, which excludes gains and losses in the investment portfolio, dropped 19 per cent to £83m.

This was far less than the 51 per cent cut in earnings reported on Tuesday by its composite insurance rival, General Accident, underlining CU's strength in diversification.

The market sent the insurer's shares 6p higher yesterday to 625p, encouraged by signs that the European business is delivering strong growth.

Peter Foster, finance director, said he expected the British market to continue heading into the downturn of the general insurance cycle.

"One is clearly seeing that competition is continuing. Generally in most classes of businesses there is a continual downward move in terms of rating," he said.

GA is less exposed to this increased competition, however, as over 80 per cent of the group's business comes from

outside the UK non-life sector. The life insurance business showed improvements both at home and abroad, with profits up by 13 per cent in the first quarter to £58m, helped by a 15 per cent rise in premiums.

Life premium income, up 11 per cent at £1.1bn, represents 43 per cent of the insurer's total premium income.

"It is our intention to continue to expand that business," Mr Foster said, pointing to Asia as the principal focus of the group's growth plans at the moment.

But he played down expectations of a big acquisition, especially in the UK, in the light of the recently announced link-up between Sun Alliance and Royal Indemnity.

"Our practice in the past has been primarily to grow by organic growth. One always keeps an open eye on what is happening and if it fits strategically, at a sensible price, we would always look at something."

John Carter, chief executive, pointed up strong contributions from CU's operations in France and The Netherlands, where the market is benefiting from firmer premiums and lower claims.

Net profits at Dutch-based Delta Lloyd grew 50 per cent

CU's French operation, dominated by Groupe Victoire, which it acquired in 1994, saw the general insurance result improve to an £11m profit from a £7m loss. "The best feature was the French result. I hope it's a change to better levels of profitability," said Trevor May of Salomon Brothers.

Mr Foster dismissed any notion that CU might make a share buy-back, and also appeared to rule out a distribution of the orphan assets or surplus life insurance funds, which he said were about the same amount as the £1bn recently revealed by General Accident.

Within general insurance, CU experienced a 13 per cent downturn in its overall premiums to £361m.

Within the UK general insurance market, private motor premiums "are still bumping along the bottom", commercial motors are stable, and private household and commercial property remain "competitive" with rates having fallen by around 10 and 5 per cent respectively over the last year, Mr Foster said.

CU's operating earnings per share fell to 7.2p from 10.6p a year earlier. Net asset value per share as of 31 March was 577p, down from 582p.



Softening the blow: John Carter pointed up strong growth in France and The Netherlands

Photograph: UPP

Telewest sees tide turning in cable's favour despite £53m loss

MATHEW HORSMAN
Media Editor

Telewest, the country's largest cable operator, believes the market has finally turned for the beleaguered industry, its finance director said yesterday.

Unveiling first-quarter losses of £53.1m, in line with forecasts, Stephen Davidson predicted a smoother ride as the industry builds out the rest of its £10bn network and gears up marketing plans to sell the virtues of cable telephony and television.

"The tide is generally turning our way, although 1995 was obviously a difficult year," Mr Davidson said.

The first-quarter losses, consistent with this stage of the network build-out, are similar to those announced this month by two other publicly quoted cable operators, Nynex CableComms and Bell Cablemedia.

Telewest's network is 55 per cent built, and construction has been on budget. The company's cable passes 2.1 million homes. Cable has been a disappointing investment since the main publicly quoted companies came to market starting in late 1994. Telewest, the first and largest of the listed companies, has traded below its issue price for most of the last 18 months.

It closed last night at 170p, up 3p. Shares in the main companies took a beating in 1995, buffeted by bad news and lingering perceptions that the industry was still being mismanaged. The high-profile "deal" between the Labour Party and BT over the building of the information highway was one destabilising factor, although the Opposition has since said that cable, too, would be encouraged to play a leading role in the development of the highway.

Rate-capping of BT by the telecoms regulator, Ofcom, would also jeopardise cable's plans to undercut the dominant operator in the telephony sector, by as much as 25 per cent. Telewest's shares were also affected by the decision earlier this year by the Office of Fair Trading to investigate aspects of the pay-TV market in the UK. Telewest and Nynex have both signed agreements with BSkyB to secure long-term supply of pay-TV programming, and do not generally support intervention by regulators.

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Amstrad shares dive on Dancall warning

MAGNUS GRIMOND

Amstrad saw £38m wiped off its stock market value yesterday after warning that its Dancall mobile telephone subsidiary would not make any contribution to group profits this year.

The announcement about Dancall, regarded as one of the best hopes for the ailing group, is the latest in a series of blows to hit Amstrad, which was rocked by the resignation of its chief executive, David Rogers, at the end of December. The shares plunged 32.5p to 173.5p yesterday, compared with a high of 293.5p hit in October just before Alan Sugar, the chairman, warned about difficult trading facing the company in December.

Clearly things have got even worse than he thought. Dancall made a "very respectable" profit in December, prompting Mr Sugar to announce in February that it was on course to make a healthy contribution in the second half to June. But an uncontrite Mr Sugar yesterday

said recent weakness in its markets "means that Dancall's initial contribution to group profits is not likely to materialise until next financial year."

He blamed the latest setback on price pressures resulting from over-supply in the market for mobile telephones, a problem that has been highlighted by competitors. Both Nokia and Ericsson, Europe's two leading mobile telephone groups, have recently warned that its margins were being hit by the flood of new supplies. Mr Sugar said they remained committed to the further development of Dancall, but it is clear the Danish subsidiary has not helped matters by ramping up production to more than 70,000 handsets a month.

Mike Styles, an analyst at brokers Credit Lyonnais, described yesterday's share price move as an overreaction. However, he has cut his forecast for Amstrad from a 25m profit for this year to just break-even and has shaved 55m off next year's estimate to leave it at £25m.

IN BRIEF

• Williams Holdings has spent £176m on two fire protection businesses in France, its largest acquisition since the purchase of Yale. The deals, which analysts expect to increase profits by about £8m once margins are brought up to industry average levels, are a significant step towards reducing Williams dependence on building products sales. These now represent about half the group's business, matching the contribution from fire protection and security.

• Central Transport Rental, formerly Tiphook, last night secured a debt-for-equity restructuring with its creditors which is expected to see current shareholders retaining a 15 per cent interest in the trailer rental business. The highly complex deal is understood to leave the company with net assets of about £100m and will reduce its interest burden from £43m to £26m.

• Arjo Wiggins Appleton said yesterday that first-half results will be "poor" and said the full-year outlook remained uncertain. First-quarter demand remained weak and the company said at its annual meeting it would be several months before order books returned to more normal levels. Although prices are falling, Arjo had not yet seen a resumption of higher margins.

• Perpetual, the Henley-based fund manager unveiled bumper interim figures yesterday and saw its shares, which were worth less than 40p six years ago, close at £24.45, 87p higher on the day. Profits rose 48 per cent to £25.2m and funds under management were 25 per cent higher. The first-half dividend was raised to 19p (11p). Analysts raised profits forecasts for the full year to about £52m.

• Luminar, the leisure group planning a flotation next Monday, set its placing price at 200p yesterday, valuing the group at £30m. Luminar developed the Chicago Rock Cafe theme bar and now has 14 restaurants and 18 discs. About 5 million shares are being placed with institutions to raise £10m. Existing shareholders are selling about 16 per cent of the enlarged equity. In a year to February, Luminar made profits of £3.5m on sales of £21.5m.

• Stat Plus, the legal stationery group which yesterday announced a share buyback, said sales were in line with those achieved last year when it posted first-half turnover of £7.1m. The company also said its chairman Derek Bird would be leaving within a year, having reached the age of 60.

• Union Square, the former property group, returned yesterday in a new stock market guise as PGA European Tour Courses after a period of suspension. The company was formed through the acquisitions of golf courses in the UK, Germany, Sweden and Portugal and the disposal of Union's property subsidiary. The shares, suspended in March, closed at 9p.

• Land Securities and AMP Asset Management are planning a £250m redevelopment in Birmingham, which will be one of the largest city centre regenerations in the UK. The partners said they had had a positive response from retailers and department store groups for the development, which will be called Martineau Galleries.

• Century Inns announced interim pre-tax profits of £3.32m, up from £1.87m, in its first set of figures since coming to the market last December. The independent pub operator, which recently bought 21 pubs from Tom Cobleigh, raised £22.7m when it floated. Earnings per share were 6.3p and the maiden payout was 1.25p.

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Appley Woodward (F)	81.3m (79.3m)	0.17m (0.20m)	-0.2p (-3.6p)	9p (9p)
Argyll (F)	0.50m (0.22m)	428m (176m)	26.4p (8.3p)	12.75p (12p)
Bank of Ireland (F)	-	131m (922m)	41.5p (44.2p)	15.25p (12.5p)
Bronze Buildings (F)	0.07m (0.10m)	-0.19 (-0.37m)	-1.87p (-1.04p)	nil (-)
Century Inns (F)	10.8m (10.6m)	3.32m (1.87m)	6.3p (3p)	1.25p (-)
Coltchick (F)	0.5m (7.2m)	-3.7m (-4.1m)	-8.2p (-4.2p)	nil (-)
Charles Stacey (F)	117m (58.9m)	2.41m (1.35m)	4p (3.1p)	1.4p (1.3p)
Chumex International (F)	0.05m (0.73m)	0.08m (0.07m)	0.21p (0.19p)	nil (nil)
Crescent (F)	480m (230m)	57.0m (28.5m)	15.97p (14.48p)	6.22p (5.76p)
Perpetual (F)	719m (545m)	25.2m (17.0m)	62.78p (44.31p)	19p (11p)
Powergen (F)	2.83m (2.88m)	678m (546m)	71.4p (48.6p)	21p (15p)
Richards (F)	32.0m (30.0m)	-0.51m (-0.41m)	-2.45p (-1.32p)	1.07p (1.07p)
Statutory (F)	4.67m (4.52m)	1.76m (1.35m)	3.8p (3.8p)	0.75p (0.5p)
Tadpole Technology (F)	13.05m (11.4m)	-1.7m (-0.5m)	-6.3p (-23.7p)	nil (-)

(F) - Full • Interim

market report/shares

Presentation excitement provokes a gush over Shell

TAKING STOCK

DATA BANK	
FT-SE 100	3776.2 +16.5
FT-SE 250	4508.8 -1.0
FT-SE 350	1911.3 +6.4
SEAQ VOLUME	839.8m shares, 34,002 bargains
Gifts Index	92.27 -0.21
SHARE SPOTLIGHT	
Share price, pence	
Shell	210
FINANCIAL TIMES	720

Shell surged to a high as the stock market grew excited about an investment presentation due to be held in London today. The shares flared 25p to 93p, encouraged by the view that the oil giant would not bother to meet analysts unless it had an encouraging story to tell.

Guessing just what could be on the Shell agenda produced two main possibilities – a major oil discovery and a move to slim the heavyweight share price through a split or bonus issue.

There has for some time been speculation Shell has made a rich find off the coast of Peru. With South America emerging as the continent for spectacular oil and gas discoveries, Bolivia and Colombia – Shell's offshore venture has been attracting considerable attention.

Just to add to the air of expectancy there was also a

rather ill-defined rumour that Shell could be contemplating a break-up exercise.

With a positive trading note struck at yesterday's shareholders' meeting the market not only busily chased Shell but alighted on other oil leaders.

British Petroleum added 12.5p to 579.5p and Enterprise Oil, enjoying vague stories about a strike off the Irish coast, 14p to 473p. Lasso rose 2.5p to 188p.

Lucas Industries remained in the spotlight as stories continued to flow that its deal with Vario of the US was about to be announced. With Mannesman, the German group, said to be hovering with a counterstrike, the shares gained 2p to 233p.

P&O had a sluggish time, slipping 2p to 518p. An investment meeting failed to produce much inspiration and

a 4.9 million share deal at 508p, reputedly by Merrill

Lynch, ensured a flat performance. The market managed another upbeat display, with the FT-SE 100 index climbing 16.5 points to 3,776.2, although supporting shares, as measured by the FT-SE 250 index, had another unsure session with the record-breaking days of March and April reduced to a distant memory.

Labour's renewed threat to introduce a windfall tax on utilities heaped more agony on the sector, eliminating any joy from the PowerGen share buy-back and dividend rise.

Yorkshire Electricity fell 18p to 744p and London Electricity 12p to 740p. National

Power dropped 7p to 520p and PG 10p to 537p.

BT managed to resist the trend, gaining 7.5p to 334.5p. Figures are due today and there are hopes that they will be accompanied by details of a share buy-back. Cable and Wireless greeted the appointment of its long-awaited chief executive, Richard Brown from CompuServe, with a 5p fall to 464p.

MARKET REPORT

DEREK PAIN

Stock market reporter of the year

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The much-rumoured bank deal failed to materialise although there is a growing conviction further action in banking, or at least the financial sector, is about to emerge. The only banking development was a recom-

mended switch from under-valued to hold by ABN Amro Hoare Govett which helped produce a few gains. Perpetual, on old take-over candidate, jumped 100p to 2,458p on another set of sparkling results.

Amstrad's latest setback – at Danell, its telecom subsidiary – left the shares 32.5p lower at 173.5p. Courtaulds, up 16p to 427p, was lifted by a Barclays de Zoete Wedd buy note and Tesco was helped by Merrill support, up 2p to 288p. Asda, in heavy trading, rose a further 0.75p to 118.5p.

Applyard, the garage chain, shaded to 105p despite busy trading, with a 3.5 million agency cross going through at 99p. Inchcape appears to be the rumoured predator.

Smith & Nephew's strong run ended with a 4p fall to 215.5p. Societe Generale Straus Turbill suggested the health group's shares had reached "more appropriate

levels". Coltech rose 38p to 637p following indications it could have two drugs on the market next year.

De La Rue rose 12p to 743p; an associate has been awarded the contract for the automation of benefit payments and post offices.

Caldwell Investments, the textile group, gained 2p to 48p and Tadipole Technology, following lower losses, rose 6p to 59p.

Century Inns, which came to market at 120p in December, was firm at 138p. UBS placed 17 per cent of the capital at 133p with 14 institutions. The shares came from a Schroders venture capital fund, the pub company's original backer.

Newcomer PGA European Tour Courses, a golf group created out of the Union property operation, returned at 10p but shaded to 9p in heavy trading with Seaq putting volume at 32 million.

UBS has placed the 23.6 million shares in Eurodis Electron unloaded by Swiss group, Elektrowatt. They were yesterday spread among 50 institutions at 220p. The shares rose 4p to 230p. The Swiss made clear their intention to sell their 40 per cent interest in January. They had hoped to sell to another group, thereby triggering a takeover bid.

There was talk of a 360p a share deal. But in the event the shares went to UBS with instructions to place them in the market.

Rutherford Asset Management, controlled by Sir Peter Michael, has acquired CW Asset Management, manager of Eagle Investment Trust. The cost is around £500,000. With other small company funds, such as Pilot and Beacon, Rutherford is now the biggest single investor in the AIM and Olex markets.

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: Ex rights: Ex-dividend: Ex all a United Securities Market S suspended: Ex Fully Paid: Ex All Paid Shares.

The Independent Index

The index allows you to access real-time share prices by phone from Seaq. Simply dial 0891 123 355, followed by the 4-digit code printed next to each share. To access the latest financial reports dial 0891 123 355 followed by one of the two-digit codes below. For assistance, call our helpline 071 873 4375 (9.00am - 5.00pm). Calls cost 30p per minute (cheap rate), and 40p at all other times. Call charges include VAT.

Market leaders: Top 20 volumes

Stock	Volume	Stock	Volume	Stock	Volume	Stock	Volume
ASDA Group	200000	Appl Group	80000	BT	100000	Wm Morris	60000
BT	100000	LASMO	80000	Wm Morris	60000	Wm Morris	60000
BT	100000	LASMO	80000	Wm Morris	60000	Wm Morris	60000
BT	100000	LASMO	80000	Wm Morris	60000	Wm Morris	60000
BT	100000	LASMO	80000	Wm Morris	60000	Wm Morris	60000

FT-SE 100 index hour by hour

Time	Index	Time	Index
09.00	3772.5 up 12.8	11.00	3784.5 up 8.7
10.00	3775.0 up 15.3	12.00	3787.0 up 11.2
11.00	3777.5 up 17.8	13.00	3789.5 up 13.7
12.00	3782.0 up 18.3	14.00	3792.0 up 16.2
13.00	3794.5 up 18.8	15.00	3794.5 up 16.2

Telecommunications

Stock	Price	Stock	Price
BT	334.5	BT	334.5
BT	334.5	BT	334.5
BT	334.5	BT	334.5

Retailers, Food

Stock	Price	Stock	Price
ASDA	210	ASDA	210
ASDA	210	ASDA	210
ASDA	210	ASDA	210

Retailers, General

Stock	Price	Stock	Price
ASDA	210	ASDA	210
ASDA	210	ASDA	210
ASDA	210	ASDA	210

Textiles & Apparel

Stock	Price	Stock	Price
ASDA	210	ASDA	210
ASDA	210	ASDA	210
ASDA	210	ASDA	210

Transport

Stock	Price	Stock	Price
ASDA	210	ASDA	210
ASDA	210	ASDA	210
ASDA	210	ASDA	210

Water

Stock	Price	Stock	Price
ASDA	210	ASDA	210
ASDA	210	ASDA	210
ASDA	210	ASDA	210

Rights Issues

Stock	Price	Stock	Price
ASDA	210	ASDA	210
ASDA	210	ASDA	210
ASDA	210	ASDA	210

Recent Issues

Stock	Price	Stock	Price
ASDA	210	ASDA	210
ASDA	210	ASDA	210
ASDA	210	ASDA	210

Government Securities

Stock	Price	Stock	Price
ASDA	210	ASDA	210
ASDA	210	ASDA	210
ASDA	210	ASDA	210

Index-Linked

Stock	Price	Stock	Price
ASDA	210	ASDA	210
ASDA	210	ASDA	210
ASDA	210	ASDA	210

Short

Stock	Price	Stock	Price
ASDA	210	ASDA	210
ASDA	210	ASDA	210
ASDA	210	ASDA	210

Medium

Stock	Price	Stock	Price
ASDA	210	ASDA	210
ASDA	210	ASDA	210
ASDA	210	ASDA	210

Long

Stock	Price	Stock	Price
ASDA	210	ASDA	210
ASDA	210	ASDA	210
ASDA	210	ASDA	210

business

Globalisation, and other bugbears of our time

There is an increasingly modish view that the broad trends in the world economy are turning out to be bad for most of us. "Globalisation" – that ill-defined mix of free trade, new technology and deregulation – is enriching the few at the expense of the many. Or at least so say the increasingly vocal latter-day Luddites, most no doubt tapping out their polemics on their lap-top computers.

The populist case was eloquently made by US researcher Edward Luttwark in the *Independent* recently (6 May). He argued that free trade had helped America's computer industry become hugely successful, but at the cost of more than a million jobs in older manufacturing industries.

Exposing all of manufacturing to cheap Third World competition was too high a price to pay for making Microsoft successful, he suggested. The high-technology sector had not created as many attractive jobs as had been destroyed in traditional industries, leaving low-paid work such as retailing and waitressing the only alternative for many Americans. Globalisation has helped only a small elite – turbo-charged capitalism – reap rewards as much as competence, penalising ordinary working stiffs who cannot smartly jump to something better when their jobs are eliminated," Mr Luttwark charges.

These arguments clearly touch a nerve, and not just in the US. Factory closures have cut a painful swathe through all the industrialised economies.

The protectionist response, to slow the tide of globalisation by imposing bans or punitive tariffs on cheap imports of manufactures, is on the face of it quite attractive. Consumers would have to pay higher prices – but are cheap CD players



ECONOMIC VIEW
DIANE COYLE

more important than preserving jobs at home and halting the decline in workers' wages? Only a turbo-charged yuppie would dare answer yes.

The trouble with this plain common sense is that there is not much evidence for it. For one thing, the timing does not work. The loss of jobs in manufacturing in America and elsewhere dates back more than a quarter of a century.

Paul Krugman, an economist at Stanford University, estimates that

Besides, most US trade takes place with other industrialised economies. The weighted average wage of manufacturing workers in America's trading partners was 83 per cent of the US level in 1990. Imports from low-wage countries took almost as big a share of GDP in 1990 as in 1990 – 2.2 per cent versus 2.8 per cent.

This does not prove that foreign trade will not become a more important influence, but the shift away from manufacturing so far must

'Only a small fraction of job cuts can be explained by Third World competition'

only a small fraction of the job cuts in the US since the late 1970s can be explained by cheap Third World competition. The trade deficit in manufactures has been too small relative to the size of the economy to have had much impact.

The share of manufacturing output in GDP declined from 25 per cent in 1970 to 18.4 per cent in 1990. Professor Krugman calculates that if trade had been in balance for those two decades, the share of manufacturing would still have fallen from 24.9 per cent to 19.2 per cent of GDP. The chart shows that trade has made some difference, but not enough to explain much of the loss of manufacturing output and jobs.

have other explanations. Consumer demands have switched, for one thing, demand for services has grown, creating other types of work.

Nor have there been the much-dreaded "hamburger flipping" jobs. A new study of job creation in America by the Council of Economic Advisers* shows that a majority of the 8.3 million net new jobs since the end of 1992 have been in industries paying above-median wages. Most were full-time. In contrast to Britain, the proportion of people in part-time work in the US has declined.

According to the annual detailed survey of firms by the Bureau of Labor Statistics, occupations in the

top half of the wage distribution accounted for 70 per cent of the net employment growth in 1994 and 1995, while those in the bottom tenth produced a third of the employment growth.

The BLS has also forecast which occupations will show the fastest employment growth by 2005. They are home health aides and personal care aides – classic low-pay service jobs – followed directly by computer scientists and systems analysts.

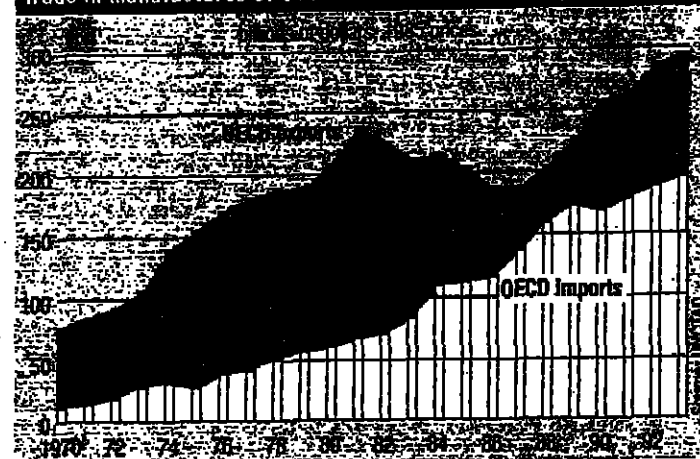
The US is different from the other industrial economies in its success in creating new jobs. None of the others has seen job growth on any significant scale since about 1980, although the UK has done better recently. Other economists are now trying out the Krugman calculations on their own countries, all more open to trade than the US, to see if we in Europe can blame cheap Third World competition for our deindustrialisation.

So far, it seems not. Like the US, most other developed countries trade mainly with each other and, as a whole, have a trade surplus in manufactures with the developing world. The scale of past trade with developing countries does not look big enough to explain why employment in manufacturing has been falling for more than 25 years.

However, another clue lies in growing inequality in those countries with the least bad job records. US employment has grown spectacularly, so has its income inequality. Countries where the income distribution has barely changed have a significantly worse job record.

The UK has also seen an increase in wage inequality. In fact it is greater now than at the time of the Industrial Revolution, according to figures in a recent paper by Stephen Machin

Trade in manufactures of OECD countries with developing countries



in the *Oxford Review of Economic Policy*. Average full-time earnings for men in the bottom tenth of manual jobs were 69 per cent of median earnings in 1986, but only 64 per cent in 1990. The top tenth of wage earners made 1.43 times the median a century ago, compared with 1.59 times the median in 1990.

The increase in inequality has what economists call a "fractal" quality: widening gaps wherever you look, within professions as well as between them. Stars in their field, whether it is stock market analysis or medicine, are paid far more compared with the average than in the past.

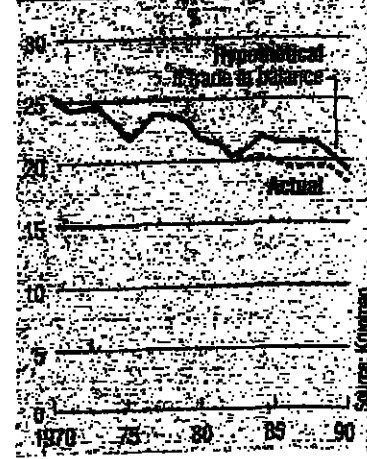
Protectionists say this is simply the other side of the jobs coin. Because there are no "proper" jobs, countries either have high unemployment or low-wage jobs. However, the phenomenon of changing income distribution points the finger at technology rather than trade.

The Industrial Revolution of the

19th century left real wages stagnant for 50 years but boosted the return to capital, the resource required for mechanisation. The evidence suggests that now the scarce resource is skill, and the return to human capital is rising. The demand for skilled labour has risen in all areas of the economy.

Perhaps it would be possible to hold back the tide of technical change by erecting tariff barriers that prevented high-technology industries from becoming successful, although it is hard to see how to put the genie back into the bottle. But it is hard to see how this would benefit anybody. It would reduce productivity and economic growth directly. It would invite retaliation and reduce exports. It would raise the prices paid by all consumers for imported goods. It would destroy jobs in the "new" industries – and, incidentally, keep computers out of the price bracket of ordinary workers.

Manufacturing share of US GDP



It is a crucial public policy challenge to tackle unfairness in the distribution of jobs and incomes, and to cushion the impact of the changing industrial structure on our economies. Turning the clock back is not the way to do it.

Professor Krugman speculates that the unfairness will recede eventually. "The high-skill professions whose members have done so well during the last 20 years may turn out to be the modern counterpart of early 19th-century weavers, whose incomes soared after the mechanisation of spinning only to crash when the technological revolution reached their own craft." But machines will still not be able to do the really important things such as create a garden or bring up children.

* *Pop Internationalism* by Paul Krugman, MIT Press £14.95
* *Job Creation and Employment Opportunities*, April 1996.

Foreign Exchange Rates

Country	Spot	1 month	3 months	6 months	1 year
US	1.00	1.00	1.00	1.00	1.00
Canada	0.70	0.70	0.70	0.70	0.70
Germany	1.93	1.93	1.93	1.93	1.93
France	6.55	6.55	6.55	6.55	6.55
Italy	1.36	1.36	1.36	1.36	1.36
Japan	161.00	161.00	161.00	161.00	161.00
UK	1.54	1.54	1.54	1.54	1.54
Spain	166.36	166.36	166.36	166.36	166.36
Sweden	8.46	8.46	8.46	8.46	8.46
Netherlands	2.20	2.20	2.20	2.20	2.20
Ireland	0.78	0.78	0.78	0.78	0.78
Norway	4.76	4.76	4.76	4.76	4.76
Switzerland	1.48	1.48	1.48	1.48	1.48
Australia	1.54	1.54	1.54	1.54	1.54
Hong Kong	7.75	7.75	7.75	7.75	7.75
Malaysia	3.77	3.77	3.77	3.77	3.77
New Zealand	2.08	2.08	2.08	2.08	2.08
Saudi Arabia	5.94	5.94	5.94	5.94	5.94
Singapore	2.30	2.30	2.30	2.30	2.30

Other Spot Rates

Country	Spot	1 month	3 months	6 months	1 year
Australia	1.54	1.54	1.54	1.54	1.54
Canada	0.70	0.70	0.70	0.70	0.70
France	6.55	6.55	6.55	6.55	6.55
Germany	1.93	1.93	1.93	1.93	1.93
Italy	1.36	1.36	1.36	1.36	1.36
Japan	161.00	161.00	161.00	161.00	161.00
UK	1.54	1.54	1.54	1.54	1.54
Spain	166.36	166.36	166.36	166.36	166.36
Sweden	8.46	8.46	8.46	8.46	8.46
Netherlands	2.20	2.20	2.20	2.20	2.20
Ireland	0.78	0.78	0.78	0.78	0.78
Norway	4.76	4.76	4.76	4.76	4.76
Switzerland	1.48	1.48	1.48	1.48	1.48
Australia	1.54	1.54	1.54	1.54	1.54
Hong Kong	7.75	7.75	7.75	7.75	7.75
Malaysia	3.77	3.77	3.77	3.77	3.77
New Zealand	2.08	2.08	2.08	2.08	2.08
Saudi Arabia	5.94	5.94	5.94	5.94	5.94
Singapore	2.30	2.30	2.30	2.30	2.30

Interest Rates

Country	Rate	Rate	Rate	Rate	Rate
US	5.00%	5.00%	5.00%	5.00%	5.00%
Canada	4.75%	4.75%	4.75%	4.75%	4.75%
Germany	4.50%	4.50%	4.50%	4.50%	4.50%
France	4.25%	4.25%	4.25%	4.25%	4.25%
Italy	4.00%	4.00%	4.00%	4.00%	4.00%
Japan	3.75%	3.75%	3.75%	3.75%	3.75%
UK	3.50%	3.50%	3.50%	3.50%	3.50%
Spain	3.25%	3.25%	3.25%	3.25%	3.25%
Sweden	3.00%	3.00%	3.00%	3.00%	3.00%
Netherlands	2.75%	2.75%	2.75%	2.75%	2.75%
Ireland	2.50%	2.50%	2.50%	2.50%	2.50%
Norway	2.25%	2.25%	2.25%	2.25%	2.25%
Switzerland	2.00%	2.00%	2.00%	2.00%	2.00%
Australia	1.75%	1.75%	1.75%	1.75%	1.75%
Hong Kong	1.50%	1.50%	1.50%	1.50%	1.50%
Malaysia	1.25%	1.25%	1.25%	1.25%	1.25%
New Zealand	1.00%	1.00%	1.00%	1.00%	1.00%
Saudi Arabia	0.75%	0.75%	0.75%	0.75%	0.75%
Singapore	0.50%	0.50%	0.50%	0.50%	0.50%

Bond Yields

Country	Rate	Rate	Rate	Rate	Rate
US	5.00%	5.00%	5.00%	5.00%	5.00%
Canada	4.75%	4.75%	4.75%	4.75%	4.75%
Germany	4.50%	4.50%	4.50%	4.50%	4.50%
France	4.25%	4.25%	4.25%	4.25%	4.25%
Italy	4.00%	4.00%	4.00%	4.00%	4.00%
Japan	3.75%	3.75%	3.75%	3.75%	3.75%
UK	3.50%	3.50%	3.50%	3.50%	3.50%
Spain	3.25%	3.25%	3.25%	3.25%	3.25%
Sweden	3.00%	3.00%	3.00%	3.00%	3.00%
Netherlands	2.75%	2.75%	2.75%	2.75%	2.75%
Ireland	2.50%	2.50%	2.50%	2.50%	2.50%
Norway	2.25%	2.25%	2.25%	2.25%	2.25%
Switzerland	2.00%	2.00%	2.00%	2.00%	2.00%
Australia	1.75%	1.75%	1.75%	1.75%	1.75%
Hong Kong	1.50%	1.50%	1.50%	1.50%	1.50%
Malaysia	1.25%	1.25%	1.25%	1.25%	1.25%
New Zealand	1.00%	1.00%	1.00%	1.00%	1.00%
Saudi Arabia	0.75%	0.75%	0.75%	0.75%	0.75%
Singapore	0.50%	0.50%	0.50%	0.50%	0.50%

Money Market Rates

Country	Rate	Rate	Rate	Rate	Rate
US	5.00%	5.00%	5.00%	5.00%	5.00%
Canada	4.75%	4.75%	4.75%	4.75%	4.75%
Germany	4.50%	4.50%	4.50%	4.50%	4.50%
France	4.25%	4.25%	4.25%	4.25%	4.25%
Italy	4.00%	4.00%	4.00%	4.00%	4.00%
Japan	3.75%	3.75%	3.75%	3.75%	3.75%
UK	3.50%	3.50%	3.50%	3.50%	3.50%
Spain	3.25%	3.25%	3.25%	3.25%	3.25%
Sweden	3.00%	3.00%	3.00%	3.00%	3.00%
Netherlands	2.75%	2.75%	2.75%	2.75%	2.75%
Ireland	2.50%	2.50%	2.50%	2.50%	2.50%
Norway	2.25%	2.25%	2.25%	2.25%	2.25%
Switzerland	2.00%	2.00%	2.00%	2.00%	2.00%
Australia	1.75%	1.75%	1.75%	1.75%	1.75%
Hong Kong	1.50%	1.50%	1.50%	1.50%	1.50%
Malaysia	1.25%	1.25%	1.25%	1.25%	1.25%
New Zealand	1.00%	1.00%	1.00%	1.00%	1.00%
Saudi Arabia	0.75%	0.75%	0.75%	0.75%	0.75%
Singapore	0.50%	0.50%	0.50%	0.50%	0.50%

Tourist Rates

Country	Rate	Rate	Rate	Rate	Rate
US	5.00%	5.00%	5.00%	5.00%	5.00%
Canada	4.75%	4.75%	4.75%	4.75%	4.75%
Germany	4.50%	4.50%	4.50%	4.50%	4.50%
France	4.25%	4.25%	4.25%	4.25%	4.25%
Italy	4.00%	4.00%	4.00%	4.00%	4.00%
Japan	3.75%	3.75%	3.75%	3.75%	3.75%
UK	3.50%	3.50%	3.50%	3.50%	3.50%
Spain	3.25%	3.25%	3.25%	3.25%	3.25%
Sweden	3.00%	3.00%	3.00%	3.00%	3.00%
Netherlands	2.75%	2.75%	2.75%	2.75%	2.75%
Ireland	2.50%	2.50%	2.50%	2.50%	2.50%
Norway	2.25%	2.25%	2.25%	2.25%	2.25%
Switzerland	2.00%	2.00%	2.00%	2.00%	2.00%
Australia	1.75%	1.75%	1.75%	1.75%	1.75%
Hong Kong	1.50%	1.50%	1.50%	1.50%	1.50%
Malaysia	1.25%	1.25%	1.25%	1.25%	1.25%
New Zealand	1.00%	1.00%	1.00%	1.00%	1.00%
Saudi Arabia	0.75%	0.75%	0.75%	0.75%	0.75%
Singapore	0.50%	0.50%	0.50%	0.50%	0.50%

Latest Unit Trust Prices

Country	Rate	Rate	Rate	Rate	Rate
US	5.00%	5.00%	5.00%	5.00%	5.00%
Canada	4.75%	4.75%	4.75%	4.75%	4.75%
Germany	4.50%	4.50%	4.50%	4.50%	4.50%
France	4.25%	4.25%	4.25%	4.25%	4.25%
Italy	4.00%	4.00%	4.00%	4.00%	4.00%
Japan	3.75%	3.75%	3.75%	3.75%	3.75%
UK	3.50%	3.50%	3.50%	3.50%	3.50%
Spain	3.25%	3.25%	3.25%	3.25%	3.25%
Sweden	3.00%	3.00%	3.00%	3.00%	3.00%
Netherlands	2.75%	2.75%	2.75%	2.75%	2.75%
Ireland	2.50%	2.50%	2.50%	2.50%	2.50%
Norway	2.25%	2.25%	2.25%	2.25%	2.25%
Switzerland	2.00%	2.00%	2.00%	2.00%	2.00%
Australia	1.75%	1.75%	1.75%	1.75%	1.75%
Hong Kong	1.50%	1.50%	1.50%	1.50%	1.50%
Malaysia	1.25%	1.25%	1.25%	1.25%	1.25%
New Zealand	1.00%	1.00%	1.00%	1.00%	1.00%
Saudi Arabia	0.75%	0.75%	0.75%	0.75%	0.75%
Singapore	0.50%	0.50%	0.50%	0.50%	0.50%

Liffe Financial Futures

US Prime	8.75%	Japan Discount	0.50%
Discount	5.00%	Belgium Discount	2.50%
Fixed Funds	5.25%	Switzerland Discount	3.50%
10-Day Repo	7.50%	Switzerland Discount	1.50%
Sweden		Lombard	4.25%
Repo (Ave)	6.70%		

HSBC Markets Research				
Country	5yr	yield %	10yr	yield %
Netherlands	9%	5.27	8%	8.33
Spain	10.0%	6.01	10.5%	7.37
Italy	10.5%	9.04	10.5%	9.81
Belgium	7.5%	5.42	7%	6.58
Sweden	8%	7.23	8%	8.38
ECU O/R	9.5%	5.56	7.5%	8.90

Desire to win still rages in Montgomerie

Golf

TIM GLOVER
reports from Thame

A celebrity pro-am is a useful occasion for the professional to chew the fat with stars of stage, screen and the playing field. In the curtain-raiser to the Benson and Hedges International, which starts at The Oxfordshire today, Colin Montgomerie played a round with Stephen Hendry (handicap 11) and it would be fair to say that the world snooker champion is better on the greens than Monty is on the green baize.

For some reason Monty, who in fact has eschewed the fat on his crash diet and is heading towards a profile more akin to a snooker cue than Alfred Hitchcock, asked Hendry about the loss of form of the Thai player James Wattana. "Stephen said that Wattana has lost the desire," Monty reported. "Snooker is very big in Bangkok and he became a very wealthy young man very quickly and the desire went."

The fortunes of Wattana gave Monty the chance to wax lyrical on his role model, Nick Faldo. "That the desire is as intense as it ever was has to be admired in Nick," Monty said. "That's something we should be very proud of in Britain, to have someone of that quality to keep going at it like that. It would be very easy for him to say 'thank you very much, I'm retiring'."

Faldo, whose victory in the Masters gave him his sixth major title, is No 7 in the world; Monty, who has yet to win a major, is No 3. "I'm not at his level," Monty said, "but I have a great desire to win one."

"Money is not the be all and end all now. I turned pro owing money. You try not to think about it when you start off and hopefully the quality of your game takes care of that. It happened with me pretty quickly."

He admitted, however, that if he no longer dreams about cream buns, he occasionally has a sneaky glance at his bank balance. "I

smile mostly when I do. I'm very very fortunate, I suppose."

Montgomerie made a flying start to the season with victory in the Dubai Desert Classic but flopped in the Masters where he referred to Augusta National as that "bloody place" and lamented the number of putts that got away.

In a comment that is unlikely to endear him to Sam Torrance, a successful practitioner of the broomhandle putter, Monty said: "I'm not saying I would never use a broomhandle putter but when you get to that stage, there's nowhere to go. If that doesn't work you may as well start playing tennis."

The prospect of even a slimmed-down Monty appearing in shorts is too much to contemplate. The Benson and Hedges, which has a first prize of £117,000, not only boasts all 12 members of Europe's victorious Ryder Cup team but also marks the professional debut on the Tour of Gordon Sherry. The amateur champion turned pro after missing the cut in the Masters and last week he won 1993 in the Scottish PGA Championship. He is not yet tempted to glance at his bank balance although it is easy to recognise that he is now a professional.

During the Masters he wore a cap with the initials of Kilmarnock Football Club. Now it is replaced by Titleist. "When I go back to Augusta I'll know what to expect," Sherry said. Not if, but when. "The level of my ambition," the 6ft 7in Sherry said, "is to become the No 1 golfer in the world. It always has been but it can't happen overnight."

Sherry has caused resentment among some players for receiving an invitation to the Volvo PGA Championship at Wentworth next week. When the disgruntled asked the Tour why the disfranchised Sherry should receive an invitation ahead of PGA members they were told: "market forces". "It is not for me to worry about," Sherry said. "If I was in their position I wouldn't be happy either but I have to look after number one."



Ed Baird is under full sail down wind in the Solent yesterday as the world No 1 progressed to the last eight of the Royal Lytham Cup. Failing to make the cut, however, was the 1994 world champion and 1995 America's Cup tactician, Bertrand Pace, while the minor upset of the opening rounds was also the failure of the Congressional Cup winner, Gavin Brady of New Zealand, to reach the quarter-final pairings, writes Stuart Alexander from Lytham.

Law beat the world No 2, Peter Gilmore of Australia, in his first race yesterday, losing out to New Zealand's America's Cup winning skipper, Russell Coutts. Law, however, is in determined mood and he came back to beat Markus Wieser, taking second place in Group A.

Stuart Childerley's win over Helena Strang was later overturned, because he was penalised for colliding with the Swedish women's champion.

While the steady easterly breeze promised good racing, the fast edging tide made the course one-sided. Thierry Peugeot, the defending champion, said: "The start is very important. In few races, perhaps only one in nine or 10, will you be able to come back from behind."

Results, Sporting Digest, page 31
Photograph: Peter Jay

The sportswriters throwing stones from glass houses

This is to acknowledge a debt to the late Jack Hutchinson, a former sports editor of the *Daily Mirror* whose stern advice to starting newspapermen was take the job seriously but never yourself.

Had it been observed last week by the author of a report that appeared in one of our popular prints - why be coy about this, it was *The Sun* - Eric Cantona would not have legitimate grounds for supposing that nobody in my trade is to be trusted, something he doubtless believes anyway.

On receiving the Football of the Year award at a dinner in London shortly before the Cup final, his response, delivered in English, was typically enigmatic. Cantona stated vaguely that he could think of no better place for advice than the toilet.

I did not canvass everyone in the room personally but no offence appeared to be taken by football writers generally. The Frenchman's remark was recalled mostly with a shrug or a smile, and by the wee small hours, which is par for the course on these occasions, it had been more or less forgotten anyway.

However, in later editions of *The Sun's* circulation on Friday a headline and viperous text suggested Cantona had gratuitously offended members of the association that honoured him. In fact it was the report that caused consternation, troubling Pat Signy, who is chief executive of the Football Writers' Association. "To say the least, it was disappointing," she said.

Two facts must be set out here. One is that I spent almost 30 years meeting, without compromise, the requirements of popular newspapers, working with some of the best journalists I am ever likely to come across. Another is that I admire a number of *The Sun's* sportswriters, all of whom can be relied on to entertain and come up consistently with important information.

Last week they were let down by what struck me (leaving aside a suspicion of Francophobia) as an example of rising charges inherent in the glasshouse theory. As the aforementioned sports editor also put it - appropriately for one who once held the



KEN JONES

Northern ABA lightweight championship - if you throw a punch, serious thought should be given to the probability of retaliation.

Times have changed, maybe for the worse, maybe for the better, but to my mind there is less trust between sports performers and sports writers than there used to be. There are faults on both sides, especially on the part of the sports writers who, like Linford Christie, but misrepresentation is inexcusable.

Great sporting stars are not, of course, made by newspaper men and commentators. Nothing achieves that for them, save their own skills and intelligence and resolution, though the press, television and radio spreads and celebrates their fame.

It is a matter of individual opinion whether this puts them under any obligation to people who are merely doing their job. An ongoing criticism of Cantona is that he seldom, if ever, makes himself available for newspaper interviews, a fact, would you believe, that influenced a few football writers not to vote for him.

Some years ago a case was put for a football manager who had a reputation for malice, both in dealings with the press and his players. "But give him his due," someone said, "he's always good copy," as though co-operation was the sole criterion. "Sure," came the splendidly cynical reply, "so was Hitler."

Since it is a habit of some simple souls to get carried away by their status in sports journalism today, an interesting thought is how they would have shaped up in confrontation with some hard man of past acquaintance. For example, football writers who crossed Stan Cullis when he ran Wolverhampton Wanderers like a military establishment, could expect an immediate summons to his office. I remember colleagues, some quite hard-bitten too, quailing in his frosty presence. What Cullis would have made of things now is beyond imagination.

As for Cantona's remark, what every sportswriter should understand is that if you are going to give it you had better learn how to take it.

Play THE INDEPENDENT european championship football forecast



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Tone phone

Strikers

A. Stoichkov (Bulgaria)	1
Z. Zidane (France)	2
D. Bergkamp (Netherlands)	3
G. Zola (Italy)	4
Domingos (Portugal)	5
M. Bala (Portugal)	6
A. Mijatovic (Belgium)	7
A. Kipka (Germany)	8
G. Van der Sar (Netherlands)	9

Numbers

One	1
Two	2
Three	3
Four	4
Five	5
Six	6
Seven	7
Eight	8
Nine	9
Ten	10
Eleven	11
Twelve	12
Thirteen	13
Fifteen	15
Seventeen	17

Goalkeepers

A. Stoichkov (Bulgaria)	1
Z. Zidane (France)	2
D. Bergkamp (Netherlands)	3
G. Zola (Italy)	4
Domingos (Portugal)	5
M. Bala (Portugal)	6
A. Mijatovic (Belgium)	7
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PRIZE

The reader with the highest number of points at the end of the 1996 European Championship will win our prize - a

VIP trip to see Milan in an important home match next season. You will be flown to Milan, fashion and football capital

of the world, stay for two nights in one of the city's finest hotels and watch Milan take on another European giant in an important

home game, whilst enjoying VIP hospitality courtesy of Vauxhall the sister company of Opel, Milan's club sponsors.

All telephone calls are charged at 39p per min cheap rate and 49p per min at all other times. Max call duration 8 mins. Entries made by pay phone must be made using a personal telephone.

Competition only open to those dialling from the UK using the official independent telephone entry line. Lower selection, euro mode, cannot be altered.

Entered into. Proof of magnetic transcript will not be accepted as proof of entry. Employees of Newspaper Publishing, Mirror Group, TIM Ltd, Europrint Group, agents and families are not allowed to enter.

Closing date of the competition is midday Saturday 8th June 1996. No correspondence, in writing or by telephone, will be entered into.

England hasn't seen anything like it since 1966. Next month's European Championship will be the biggest sporting event staged on these shores since Bobby Moore's side beat Germany 4-2 in the legendary World Cup final 30 years ago.

No one knows whether Terry Venables' team can emulate history, but the drama and suspense of Euro '96 will captivate the nation.

Four years ago Denmark stunned the international football community by winning the European Championship in Sweden. Can they do it again? Will Jurgen Klinsmann lead Germany to victory? Can Roberto Baggio and his team erase the memory of Italy's 1994 World Cup final defeat? Will Alan Shearer prove he's England's most feared striker?

All questions will be answered at the Wembley final in under seven weeks. Meanwhile, our appetites already

whetted by the presence in English clubs of leading Europeans (France's Eric Cantona and Holland's Ruud Gullit), we can expect a feast of football.

The opening game - England vs Switzerland at Wembley is on 8 June. Two days later Scotland play the Netherlands at Villa Park.

The 16 competing countries are divided into four groups, with the leading two from each section going forward to the quarter-finals. From then on it's sudden death.

In this sporting spirit The Independent on Sunday invite you to test your footballing knowledge. Play our Euro '96 competition and you can pit your footballing expertise against other readers and a selection of celebrities.

Ultimately you have the chance of winning our prize: a VIP trip to watch Milan play an important home match next season.

All questions related to goals scored do not include goals scored in penalty shoot-outs.

1. Which striker from the list on the opposite page will score the most goals in Euro '96?
2. Which striker from the list opposite will score the least goals in Euro '96?
3. Which goalkeeper from the list opposite will concede the most goals in Euro '96?
4. Which goalkeeper from the list opposite will concede the least goals in Euro '96?
5. How many goals will be scored in total in Group C, (Czech Rep., Germany, Italy, Russia)?
6. How many goals will there be in the England v Switzerland game?
7. How many goals will there be in the Turkey v Croatia game?
8. How many goals will there be in the Netherlands v England game?
9. How many yellow cards will be issued in the quarter-finals?
10. How many substitutions will there be in the Wembley semi-final?
11. How many shots on target will there be in the Netherlands v Scotland game. (figures based on ITV statistics?)
12. The Break: How many goals will be scored in open play in Euro '96?

Details of how to enter are given opposite. You can enter at any point up until 12:00 noon on Saturday 8 June 1996, the first day of Euro '96.

Each of the 11 questions has a points value. If you answer any of the questions correctly you will earn the points attributed to that question. In addition to the 11 main questions you will be required to answer a tie-break question. This question does not have a points value and will only come into play should the necessity arise. The winner will be the individual who earns the most points in the competition.

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BRITAIN'S MOST POPULAR BUTTON

1 RACING

THE INDEPENDENT

PLAY FORMULA 1 DREAM TEAM



WIN a drive in a Grand Prix car

Rubens Barrichello
Rubens has suffered from inheriting the mantle of Brazil's favourite son Ayrton Senna. The country is passionate about motor racing, and Rubens has found the weight of expectation difficult to bear. But he is a maturer man now than he was when he first came into Grand Prix racing as a fast but delicate 21-year-old in 1993. His ego, bruised by the speed of his team-mate Eddie Irvine last year, is also benefitting from the presence at Jordan this year of the immensely experienced (but not particularly quick) Martin Brundle. This ought to be Rubens' year. The car is quick, the team is behind him, the learning process is over: it is time for him to deliver.

Even though the grand prix season has started, it is not too late to join in: pit your wits against other enthusiasts and you could win our overall 1996 champion's prize, a drive in a Formula One car plus additional prizes for each race. Individual race prizes range from trips to major grands prix, including this year's British Grand Prix at Silverstone, to a day at the Nigel Mansell Racing School at Brands Hatch.

HOW YOU SCORE
Points are awarded per race to the top six finishers, based on the Formula One World Championship points scoring system (10, 6, 4, 3, 2, 1).

but with an extra 10 points awarded to each of the top six finishers. All drivers are eligible to score for a top six finish but can also notch up extra points as follows:
● The fastest driver in race-day warm-up will collect six points, with five for the second and so on down to one point for the sixth quickest.
● Drivers score one point for each place they make up over their grid position. Points are not deducted by losing places.
● Five points are lost if your driver posts first retirement, four for second down to one point lost for the fifth retirement.
● If your driver makes the quickest pit-stop (from the entry of the pitlane to the exit) you gain five points.
● If your driver sets the fastest lap time in the race, you gain five points.
● If your driver receives a stop/go penalty, you lose five points.
● If your driver starts on pole position, you gain five points.
● The Independent will name a Driver of the Day after each race for a particularly impressive performance, worth five points.
● Non-qualification for a grand prix loses you two points. If a driver is on the FIA's published starting grid but fails to take the start, no points are lost.
● Drivers removed from the results for any reason lose all points gained that weekend. Any driver not competing in a grand prix weekend scores no points.
● Chassis score and loss points in the same way as drivers for a top six finish or any early retirement. The score is based on the first chassis home of that particular manufacturer. Likewise, only the first chassis retirement will count if they are both among the first five to retire.
● Engine rules are the same as the

chassis rules, without the retirement penalties.



DREAM TEAM TOP PRIZE

The Dream Team manager with the highest number of points at the end of the Grand Prix Championship season will win our top prize - a drive in a 650bhp F1 car. You will be flown to the AGS team's training school in the south of France for the most exhilarating experience of your life. The school specialises in F1 courses and provides all the racewear and instruction you will need for the day.

MONACO GRAND PRIX PRIZE

The Dream Team manager with the highest number of points following the Monaco Grand Prix will win a guided tour round the Lola factory in Cambridgeshire and will be shown championship winning racing cars being manufactured.

San Marino Grand Prix Prize Winner

Congratulations to Ian Burton from Gwent and his team Great Mando Chickens. He has won a trip for two to the French Grand Prix on 30 June.

HOW TO ENTER

Choose your Dream Team from the shopping list on this page. Remember, you must choose three drivers (the third from the £1 million section), one chassis and one engine. You must not exceed your budget of £40 million.

Give your team a name and register it by ringing 0891 891 805.

You will immediately be asked the entry question: How many races are there in this year's Formula One World Championship?

To enter your Dream Team details you can use one of two methods.

Method 1 uses a tone phone that lets you key in the code numbers of your driver, chassis and engine choices. The computer will check that your team falls within budget and is eligible.

Method 2 uses a non-tone phone and give your details verbally. A budget check is not possible using this method.

When you have registered your team Dream Team, you will be asked to predict the number of points this year's champion will notch up over the year. In case of a tie at the end of the season, the nearest figure to the champion's points will win the top prize. In the event of a further tie, the team that registered first will win.

Once you have registered your team you will be asked for your name, address and telephone number. Your team selections plus your personal details will be played back to you and, when you confirm that they are correct, you will be given a PIN number.

This is confirmation of your entry and will enable you to access the score checking line.

There is no limit on the number of teams an individual can enter, but only one team can be registered per call.

CHECKING YOUR SCORE

You can check your team's position at any time by calling 0891 891 806 and quoting your PIN number. If you want to know the individual driver, chassis and engine scores from the most recent race, call 0891 891 807. This line will also list the Top 50 Formula One Dream Teams.

Rules

1. All telephone calls are charged at 39p per minute cheap rate, 49p per minute at all other times, with a typical call to secure your entry lasting between five and seven minutes.
2. The deadline to be included in a particular race is midday the Friday prior to that race.
3. The judge's decision is final, no correspondence will be entered into and there is no cash alternative for prizes.
4. Employees of Newspaper Publishing Plc, Haymarket Publishing Ltd and all associated companies and their families are ineligible.
5. Entrants must be 18 or over and residents of the UK or the Irish Republic.
6. To be eligible for the main prize, you must hold a current driving licence, be no more than 1.95m tall and weigh no more than 220lbs.
7. All scores will be worked out according to the official FIA time sheets produced at the meeting. The values stated for drivers, engines and chassis bear no relation to real life.
8. In the event of a tie for the Dream Team Top Prize or for any of the individual race prizes, the team that registered first will win.
9. For lost PIN numbers, call 0891 891 808. Helpline: 01275 344183.
10. The Top 50 Teams Line, lists the top 50 teams from the last race. Both the Team Position Check Line and the Results & Top 50 Teams Line will be updated at 2 pm on the Monday following a race.

Make your selection from the Grand Prix Shopping List

DRIVERS
£25m
1 M Schumacher
£23m
2 J Alesi
£20m
3 D Hill
£19m
4 G Berger
£18m
5 D Coulthard
£17m
6 E Irvine
£16m
7 J Villeneuve
£15m
8 M Hakkinen
£14m
9 H H Frenzen
£13m
10 M Brundle
£12m
11 R Barrichello
£11m
12 J Herbert

£6m
13 M Salo
£5m
14 P Lamy
£4m
15 P Diniz
£3m
16 U Katayama
£2m
17 J Verstappen
£1m
18 O Panis
£1m
19 L Badoer
£1m
20 R Rosset
£1m
21 A Montemini
£1m
22 G Fisichella
£1m
23 V Sospiri
£1m
24 T Marques
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25 F Lagorce
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26 H Noda
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27 T Inoue

£1m
28 M Blundell
£1m
29 J-C Bouillon
£1m
30 K Brack
£1m
31 K Burt
£1m
32 E Collard
£1m
33 N Fontana
£1m
34 D Franchitti
£1m
35 N Larini
£1m
36 J Magnussen
£1m
37 A Prost
£1m
38 G Tarquini
£1m
39 K Wendlinger

*Not competing in the San Marino GP, but may compete later.

CHASSIS
£20m
40 Benetton
£19m
41 Williams
£18m
42 Ferrari
£17m
43 McLaren
£16m
44 Sauber
£15m
45 Jordan
£14m
46 Ligier
£13m
47 Tyrrell

£5m
48 Arrows
£4m
49 Minardi
£3m
50 Forti

ENGINE
£12m
51 Renault
£11m
52 Ferrari
£10m
53 Mercedes
£9m
54 Peugeot
£8m
55 Mugen
£7m
56 Ford V10
£6m
57 Yamaha
£5m
58 Hart
£4m
59 Ford Zetec V8
£3m
60 Ford ED V8

GRAND PRIX '96 RACE SCHEDULE

Monaco GP
May 19
Spanish GP
June 2
Canadian GP
June 16
French GP
June 30

British GP
July 14
German GP
July 28
Hungarian GP
August 11
Belgian GP
August 25

Italian GP
September 8
Portuguese GP
September 22
Japanese GP
October 13

DREAM TEAM registration: 0891 891 805 ENTER TODAY

● TEAM POSITION CHECK LINE: 0891 891 806
● RESULTS & TOP 50 TEAMS LINE: 0891 891 807

Yellow

RAGGY

'66-1 SRI
AMASSIVE

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'16-1 VILLI
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Just a few other re
RACING'S GRE

The Spor

sport

'Bomber' has sights trained on title glory

Ian Stafford meets Herol Graham as he prepares to step back into the boxing ring four years after a premature fall from grace

Somewhere in the St Thomas' Gym in Wincobank, Sheffield, you can still find a life-size cardboard cut-out of the man. Even though Brendan Ingle's school of boxing now boasts the supreme talents of Prince Naseem Hamed, nobody has quite forgotten the "Bomber" and what he symbolised.

Back in the 1980s, everyone knew Herol "Bomber" Graham. He was, at least in Sheffield, a man of the people. While his fame and credentials increased inside the boxing ring, he remained one of the close-knit citizens of the South Yorkshire city, working in the local market at a jewellery stand, forever in the *Sheffield Star* newspaper, opening this and guesting at that.

He was as big a part of the Sheffield scene as the musical likes of the Human League, Heaven 17 and ABC were at the time. The problem was, despite a host of desperately near misses, that was as big as he became. Hamed idolised the man. To him, Graham was what this wide-eyed little Arab boy wanted to become. To Brendan Ingle, before Hamed matured into the force he has become today, Graham, his protégé, was the finished article.

By common consent, he was too crafty and too elusive for his own good. OK, Graham may not have possessed a devastating punch, but he still bamboozled almost all his opponents. Even the great Marvin Hagler was once quoted as saying that he did not fancy facing Graham in the ring.

When the "Bomber" had his

chances, he blew them. First, against Mike McCallum, fighting for the world middleweight title in 1989, he lost by a point, having had one deducted for spinning his American opponent round. Then, against the hard-hitting Julian Jackson, he was knocked out having totally dominated the fight.

Finally, in 1992, Graham lost his British title to the unfancied Frank Grant, prompting his retirement. Here, surely, was one of the finest middleweights never to win a world title. Four

'I know most comebacks end in failure and then they disappear into oblivion'

years on, at the age of 36 and with a record of five defeats in 49 fights, Graham expects to get his licence renewed by the British Board of Boxing Control, and then plans an immediate comeback. With this in mind, he has been training at a Sheffield gym run by the former boxer Glynn Rhodes, who Herbie Hide has also turned to on his comeback trail. Herol Graham is dreaming again, even at this late stage, of completing an unfulfilled career.

Unfulfilled? Graham knows exactly how close he came to winning a world title. "Well, everyone knows how questionable that decision was against McCallum," he begins. "For me,

the Jackson defeat in Malaga was far more devastating.

"The referee actually told me that, unless something happened in the next round, he was going to stop the fight; I was that far ahead. All I had to do was keep on picking him off, and stay away from his reach, but I wanted to finish it off in style.

"I was like the centre-forward who, facing an open goal, blasts the ball over instead of tapping it in. Jackson got me with a punch, starting from his boot, that I never saw. I was out cold for over five minutes that night."

Worse was to come against Frank Grant, a fairly unfancied British middleweight. Losing to Jackson, a respected puncher, was unfortunate but acceptable, but when Graham was stopped against Grant, it was immediately translated as the end of the road.

"What people didn't know was that I was in no state to fight that night," he insists. "Something terrible had happened to a member of my family earlier that week which simply blew my brains out. It was dreadful news which, even today, I can't go into because it was so very personal, but it badly affected me. I found myself standing in the corner of the ring letting Grant hit me, knowing that it wasn't really me in the ring that night."

The defeat prompted his retirement, shattering his and Brendan Ingle's dreams. Still, at least the Irish trainer knew by then that he possessed a gem of a 17-year-old kid who, he was convinced, would one day take the extra step Graham did not. Graham has maintained his

fitness and sparring skills, partly because he has done nothing else since the age of nine, and also because, after a year's rest, he decided to try again. For the past couple of years he has been battling with the BBBC to renew this licence.

"I've passed everything they've thrown at me, but I've had the distinct feeling that, at least in the past, they haven't been too keen to give me a licence. There's never been anything wrong with me."

"It's not as if I've been like Frank Bruno and had to convince them about my eye. I've passed everything, including their MRI scans. In the end, they started using psychometric tests against me which anyone would find difficult. Maybe it's down to the politics of the sport, but this time I'm certain everything should be all right."

Which invites the obvious question: Why? Surely Graham knows the history of boxing comebacks makes bad reading. What has he really got to gain? Is he not acting like the poker player on a losing run?

"Look, I'm not a Barry McGuigan or a Joe Bugner. They thought they could still do it, but got found out. I'm not a fighter; I've always been a boxer. I haven't been in as much trouble as most. I still have the instincts and, although I'm 36, I'm going on 28 years old. Boxing is what I'm best at, and while I think I can still do it, keep out of trouble and earn a good living, it makes sense to me."

To try and prove his point, he launches into an anecdote. "The other week Glynn asked me to spar with a boxer who had turned up for a practice session. After a few rounds they

ended it. I was all over the guy, showing that none of my instincts had been lost. I had no idea who he was until they told me. I had just taught Cornelius Carr, the British champion, a lesson."

"I know most comebacks end in failure, and then they disappear into oblivion. But I don't want to be telling people in 20 years' time that I could have been a world champion."

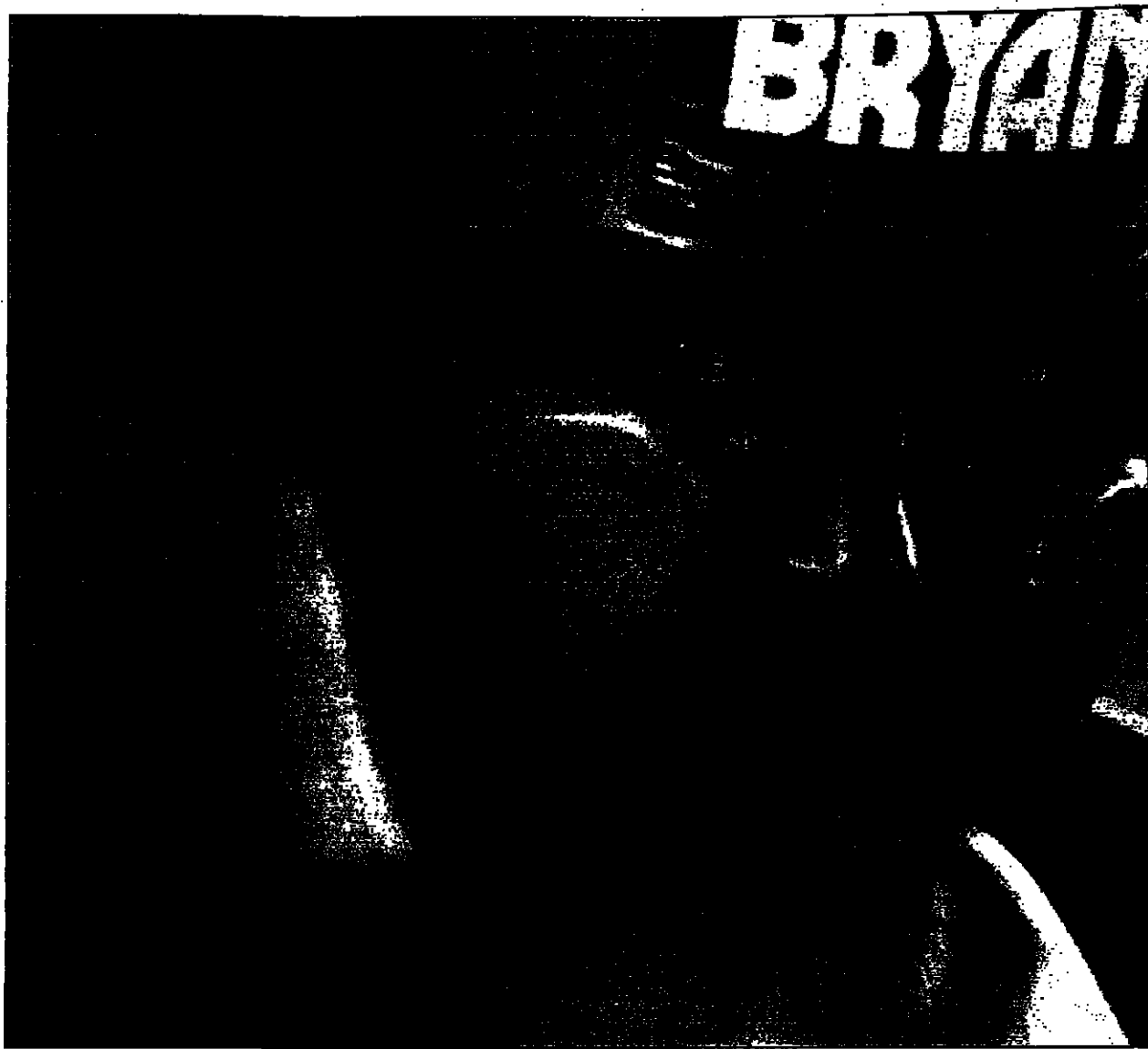
There must be other reasons behind a decision which most outsiders would disagree with. For example, it must be difficult to see Hamed, a kid who looked up to Graham, now achieving everything he failed to do.

"I wouldn't be human if I didn't have mixed emotions," he agrees. "I applaud what he's done, but I still remember him as a kid, knocking on my door

and asking me to come and spar with him. I used to let him beat me up because he was such a great kid. I'm pleased for him but, sure, it rankles a bit because I know that he's achieved what I failed to do."

Times have changed for Graham since the heady days of the late '80s and early '90s. He discovered that his failure made him just another loser. "I made a lot of money, but gave a lot of it away to my associates and friends. There was a time when certain people followed me around everywhere but, because they think I've sunk, they've all bailed out. It might have done me a favour."

Graham takes what he hopes to be his final test on 24 May, and expects to hear positive news a couple of days later. If all goes to plan, he will return as a super-middleweight.



Ring of fire: Herol Graham is confident he will be given the green light to resurrect his career

Photograph: Simon Willkinson

Stevens sets out to prove a point

Judo

PHILIP NICKSAN
reports from The Hague

As the European Championships get underway here today, Neil Adams, the British team manager, can consider with some satisfaction that a total of 10 fighters – six men and four women – have already qualified for the Olympics.

This follows four months on the road, fighting hard in a succession of European tournaments, a far cry from the days when no qualification was needed for the Games, and the elite fighters would peak only for a few big competitions.

Even Nicola Fairbrother, the 25-year-old European lightweight champion, has had to do the circuit. However, she has emerged not only top of the European rankings but she feels a harder, better fighter.

"Before I won the world title in 1993 I went off the beaten track to train and compete in Cuba, which was a tough experience. I have never forgotten," she said. "After losing my world title last year I really felt I needed something strong to get me back on course."

Today sees the stalwart figures of Ray Stevens and Kate Howey in action. Both have developed a habit of coming second; they have won European silver medals and Stevens was an Olympic silver medalist in Barcelona while Howey came second in the World Championships in 1993. At 32, time is running out for Stevens but, as a superb technician, he has a longer competitive life than most. Howey, who is only 23, matured early but knows that, injury permitting, this year could be the best chance for making her mark at the highest level.

GREY BOUTON: MEN: Featherweight (U-55kg) J. Davies; Lightweight (U-71kg) D. Hughes; Light-middleweight (U-76kg) G. Parrott; Middleweight (U-81kg) R. Birch; Light-heavyweight (U-86kg) K. Stevens; Heavyweight, WOLBACH: Women: (U-48kg) J. Hearn; Feather (U-52kg) S. Parrott; Light (U-55kg) N. Fairbrother; Lightweight (U-61kg) D. Birt; Middle (U-66kg) R. Stevens; Light-heavy (U-72kg) K. Howey; Heavy (over 72kg) M. Rodgers. Open: J. Horton.

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Winner to take all at Tannadice

Football

Dundee United and Partick Thistle face a match in a million at Tannadice tonight with Scottish football's doomsday scenario awaiting the losers.

United, European finalists nine years ago in the era of Jim McLean, estimate that relegation from the Premier League last May cost them around £1m in lost revenue.

Thistle, who have survived in the top flight by the skin of their teeth over the past four seasons, could face a hazardous future if they lose their status.

The sides are locked together after Sunday's play-off first-leg at Firhill which ended 1-1. Now it is a winner-takes-all contest over 90 minutes, extra time and penalties if need be.

Yesterday the managers, Murdoch MacLeod of Partick and Billy Kirkwood of United adopted different approaches to matches which could affect players' future livelihoods at both clubs.

Kirkwood has no hesitation in agreeing that the match, in front of a 12,000 sell-out Tannadice crowd and with live coverage on Grampian Television, is the most important in United's history.

And he wants no repeat of the 1-0 defeat by Dunfermline in United's most recent home game which cost them the First Division championship and automatic promotion.

"We blew it the last time because the crowd and the players were on edge after losing an ear-

ly goal," he said. "The fans were all desperate for something to happen and that desperation was felt by the players. I would ask the fans to be patient because we can't win this game in the first 10 minutes or even in the first half-hour."

"However, I have to be happy that we don't have to claw back a deficit in this game and I felt we deserved our draw at Firhill. At the same time no one at this club is getting carried away because we know we haven't done anything yet. It is a one-off game of 90 minutes on a decent pitch at which a winner must be found so we will give it everything we've got."

United are without the suspended Maurice Malpas but Mark Perry, who missed the game at Firhill, is likely to be fit. Striker Gary McSwegan could start the game after coming on as a substitute on Sunday.

The Tannadice players are said to be on a £10,000-a-man bonus to win, but MacLeod rejects the notion that cash will inspire either side. "Money can't win you the game," the Thistle manager said. "It is a bonus and that is all it is. When you go out to play in a match all you should be thinking about is winning."

"There is no fear of losing here. I've heard no negative thoughts around Firhill and we are treating it like a cup final. My young players like Jim Sloan, Billy McDonald and James McCue haven't been in the game long enough to worry about it - this is all new to them."

Laudrup on mission

Brian Laudrup yesterday set his sights on emulating the Double dream of his Danish international colleague Peter Schmeichel.

The Manchester United goalkeeper danced round Wembley last Saturday after adding another FA Cup medal to the Premiership title won by Alex Ferguson's Old Trafford untouchables. Now Laudrup wants to savour the same winning feeling on Saturday at Hampden as the champions, Rangers, seek to break Hearts and claim the Scottish Cup.

"I've not spoken to Peter since he won the Double at the weekend but it was a superb achievement by Manchester United," Laudrup said. "No doubt he will be mentioning it as soon as we get together on international duty for Euro 96

so it would be fantastic to keep up with him."

"The FA Cup final has worldwide recognition but the Scottish final has a lot of tradition attached to it - the competition is over 100 years old and Saturday will be a great occasion."

Laudrup would love to claim a second cup winner's medal after a superb career in Denmark, Germany, Italy and now Scotland. "I was in two finals with Brondby in Denmark, winning one and losing the other so it is nice to have another chance," he said.

He is looking forward to facing Rangers again where he has scored twice for the winner in two seasons. Laudrup scored in a 3-1 league win over Celtic last season and then got the winner in this year's Cup semi-final win, also against Celtic.



Rectangle and two pyramids: Egyptian workers build a glass squash court near the Pyramids in Giza in preparation for an international tournament featuring the world's top 22 players that begins on Saturday. Photograph: Reuters

Hill keen to join Monaco club

Motor racing

DERICK ALLSOP
reports from Monte Carlo

It is a nonsense of a place, event, and, particularly, motor race, and yet still it stands alone, the one they have all heard of, the one they all want to win.

And perhaps with good reason. Wash away the phoney glitz and brush away the glitter of the Monaco Grand Prix, and you arrive at a few facts which indicate that this winding, folding, narrow ribbon of road separates the greats from the rest.

Only three drivers have won here over the past 12 years - Alain Prost, four times, Ayrton Senna, a record six, and Michael Schumacher, twice - hence Damon Hill's intense desire to include this race on his list of conquests en route to a likely championship success this season.

There is, of course, added poignancy for Hill. His father, Graham, was the undisputed four-wheeled version of the Prince of Monaco, his landmark of five victories resisting all comers until Senna. But Hill's mission is to be his own man and to triumph here on Sunday would be to take another significant stride towards that end.

Hill, heading the table by 21 points from his Williams teammate, Jacques Villeneuve, said: "It carries a great deal of kudos if you win at Monaco. It's up there with the Indianapolis 500 and Le Mans. It's the jewel in the crown of the championship. To win it tells you you are a racing driver."

"Monaco stands alone on the calendar. We're challenged in a completely different way. It's exciting and terrifying in equal quantities, for the spectators as well as the drivers. It's a unique experience, a one-off. It's a bit of an achievement in terms of safety compared with other circuits, but we accept it. I don't think you'll find a driver who isn't looking forward to the challenge. You are working all the time. It's tough mentally."

"It's one of those extra things I'd like to win, as well as the championship, but you can't force it. You need a bit of fortune. I could live without winning it, but it would be nice to have another Hill on the trophy."

Schumacher may be sufficiently encouraged by Ferrari's progress to believe he can keep the Englishman out of the exclusive club for at least another year. If the German came pole and starts well, he could prove an extremely elusive target.

Harlequins hit the Riverside jackpot

Rugby Union

STEVE BALE

Everyone knew Harlequins were well-connected but yesterday's announcement that one of the country's biggest leisure groups were to put up £3m to buy a 40 per cent stake in the patrician London club was a breathtaking financial stroke.

Already Quins have a £1.5m sponsorship from an electronics company and, with Riverside Sports' investment being intended primarily for the redevelopment of the Stoop Memorial Ground, it would be no surprise if further backing was forthcoming to add to the Harlequins squad and make them the best-paid in the rugby business.

Garth Llewellyn, already committed to joining Quins, should prepare himself for a culture shock. The down-to-earth Wales lock, who gave a performance of supreme calibre in leading Neath to their Heineken League triumph against Pontypridd on Tuesday, is about to rub shoulders with two Old Harrovians who are among the wealthiest men in the country.

Riverside's Peter and John Beckwith, 51 and 49, are reckoned to be worth around £2m,

placing them 180th in the *Sunday Times* 'list of Britain's richest 500 for 1996. Among their interests is a 50 per cent stake in the Chelsea Harbour Club, a gymnasium frequented by Will Carling, a distinguished Harlequin, and others.

John Beckwith is to join the new Harlequin board as one of two Riverside representatives. Roger Looker, the club chairman, will also be the company's chairman, with Colin Herdrie, company and, with Riverside Sports' investment being intended primarily for the redevelopment of the Stoop Memorial Ground, it would be no surprise if further backing was forthcoming to add to the Harlequins squad and make them the best-paid in the rugby business.

Riverside's involvement is dependent on Harlequin FC's becoming a limited company, a proposal already approved by members and subject to final ratification in a vote on 28 May. The first phase of the subsequent Stoop development will be a new 4,000-seater stand.

The Scottish Rugby Union announced yesterday that an Australian - whom the SRU declined to name - playing for the Manly club of Sydney had tested positive for drugs at the Melbourne Sevens on 13 April and been formally warned by the Australian RU.

Khorkina in regal form

Gymnastics

Following Shirley Bassey is no easy task, but Birmingham's National Indoor Arena, which hosted the cabaret singer's concert last Friday, has managed to line up Princess Diana this week, writes Mike Rowbottom.

Not quite the royal one, but Svetlana Khorkina of Russia, whose short blonde hair and regal poise have earned her the unofficial title as the Princess Diana of gymnastics.

At 5ft 4in, Khorkina is regarded as a veritable giant among the competitors who have gathered for the 21st European Championships for women, which start with junior competition today.

Her main area of excellence will be the asymmetric bars, on which she is the defending champion, and two world champion. As overall silver medalist at last October's world championships in Sabae, Japan, Khorkina is also expected to be one of the main contenders in the individual all-round competition.

However, the quality of opposition, in what is the last major event before the Olympic Games, will be outstandingly high. Six of the current top 10 individuals in the world are from Europe, including the all-around world champion, Lilia Podkopaeva of the Ukraine, who will start as favourite for the individual title.

Podkopaeva, a powerful 17-year-old who trains at the national sports centre in Kiev, took gold on the vault and silver on the bar and beams in the World Championships, but her most startling activities take place in the floor exercises, where she has a unique trademark: a double front somersault with a half twist at the end. When it comes off it is spectacular, when it does not, it is spectacular.

Other leading contenders include Svetlana Boginskaya, the 23-year-old former world champion from Belarus, and Romania's 19-year-old Lavinia Milosovi, famous as the last recipient of a perfect 10 score, in the 1992 Olympic floor finals.

Glamorgan relish cup draw

Cricket

Glamorgan were handed the opportunity to gain revenge for their most humiliating defeat in recent years when yesterday's draw for the quarter-finals of the Benson and Hedges Cup paired them at home with Warwickshire.

Nine months ago, Glamorgan were looking to a rare trip to Lord's when they reached the last four of the NatWest Trophy, only to be bowled out for just 86 by Warwickshire at Cardiff.

"We will certainly do our utmost to make up for what happened last season," said the Glamorgan secretary, Gwyn Stone. "It was a desperately disappointing day but Warwickshire were awesome. A lot of other counties phoned up to

sympathise with us. But we've started well this season and, at our best, we can beat anyone."

Surrey's early season confidence faces a tough examination at The Oval, where in-form Yorkshire will be the visitors on 28 May. Surrey have won nothing since 1982 but, under the new manager, Dave Gilbert, have stormed into the last eight of the competition, with a 100 per cent record in their qualifying matches.

Northamptonshire, beaten by Warwickshire in last year's NatWest final, are at home to the 1995 cup runners-up, Kent, while the holders, Lancashire, take on Gloucestershire at Old Trafford.

Benson and Hedges Cup Quarter-Finals: Surrey v Yorkshire; Glamorgan v Warwickshire; Northamptonshire v Kent; Lancashire v Gloucestershire.

Matches to be played on Tuesday 28 May.

Giants name Whelton as new coach

Basketball

The Manchester Giants have appointed Joe Whelton as head coach. Whelton was the last man to coach the Giants' franchise - then known as Manchester United - to major honours and he brings with him a wealth of experience gained in club and international basketball.

"Joe Whelton is the right man for the Giants," the general manager, Jay Goldberg, said yesterday. "He has won everywhere he has coached and we look forward to him continuing this."

Whelton won the 1985 play-off championships with United - and he was named coach of the year the same season. The 40-year-old American also guided Manchester to the British league title in 1986 and, two years later, coached them to the quarter-finals of the European Korac Cup.

He led the Great Britain team in 1988 to their best-ever performance - sixth out of 22 in the second qualifying round for the Seoul Olympics. After leaving Manchester, Whelton joined Fribourg in Switzerland where he took them to a league championship as well as collecting another coach of the year award. He moved to Bellinzona where he completed three successive league and cup doubles.

TODAY'S NUMBER
20,402

The average gate at the 66 games that determined the semi-finalists in the southern hemisphere's Super-12 rugby union tournament. The first phase, which began on 1 March, was watched by 1,346,591 spectators.

Baseball
AMERICAN LEAGUE: Boston 4 California 3 (12 innings); Cleveland 5 Detroit 1; New York Yankees 2 Seattle 0; Toronto 1 Minnesota 2; Texas 10 Kansas City 0; Baltimore 9 Oakland 1. Postponed: Milwaukee v Chicago White Sox.

NATIONAL LEAGUE: Houston 6 Chicago Cubs 3; Florida 11 St Louis 5; Colorado 5 Cincinnati 2; Philadelphia 7 San Francisco 0; Atlanta 7 Pittsburgh 3; Los Angeles 2 Montreal 1; San Diego 9 New York Mets 4.

Basketball
Michael Jordan scored 35 points to lead Chicago to a 94-81 victory over the New York Knicks, giving them a lead of four games to one, on Tuesday. The Bulls advanced to the Eastern Conference finals, where they are likely to face Orlando Magic. Seattle SuperSonics Eastern Conference Chicago 94 New York 81 (Chicago won best-of-seven series 4-1); Western Conference: San Antonio 58 Utah 57 (Utah won best-of-seven series 3-2).

Football
SCOTLAND: Dundee United v Partick Thistle (7.30).

Cricket
TENTH CHALLENGER SERIES (First day of three): 11.0 start: Sussex v India. Sussex: 20-1; India: 10-0. Sussex: 20-1; India: 10-0.

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Boxing
Colin McMillan's handlers are willing to put up £1 million to tempt Prince Naseem Hanam, the World Boxing Organisation champion, into an all-British featherweight contest. "It's nice to get the title again, and it's nice to be in a position to be well treated. Now I can fight Hanam if the deal can be done," said McMillan, who beat Jon Jo Irwin by half a point for the British featherweight title at the Grosvenor Leisure Centre, Daguerham on Tuesday night, was later taken to the Royal London Hospital in Whitechapel suffering from dehydration and exhaustion.

Professional Football
Leeds United v Manchester United (7.30); Arsenal v Liverpool (7.30); Tottenham v Chelsea (7.30); Manchester City v Newcastle (7.30); Aston Villa v Everton (7.30); Blackburn v Middlesbrough (7.30); Derby v Nottingham Forest (7.30); Sheffield Wednesday v Birmingham (7.30); Ipswich v Norwich (7.30); Luton v Reading (7.30); Millwall v Notts County (7.30); Peterborough v Southend (7.30); Rotherham v Shrewsbury (7.30); Swindon v Walsley (7.30); Torquay v Yeovil (7.30); Wrexham v Colwyn Bay (7.30); York City v Grays (7.30).

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SPORT

'I know most comebacks end in failure and then they disappear into oblivion'
HEROL GRAHAM prepares to return to the boxing ring

Page 30

Dancer's quickstep takes him to favouritism for the Derby



The new favourite for the Derby, Glory Of Dancer, gallops away with the Dante Stakes at York yesterday from Dushyantor (left), and Jack Jennings (right), with the disappointing favourite Nash House (pale colours) in fourth. Racing, page 29. Photograph: Phil Cole/Allsport

Pallister likely to be left out of Euro 96

Football

Terry Venables will today tell some of his England players that, for the time being at least, they are history and Gary Pallister, fresh from helping Manchester United to their historic double, could be the biggest casualty.

He and Newcastle's Steve Howey have been waiting anxiously to hear if they have squeezed through the door of the plane to China and revived their hopes of reaching Euro 96. If they do, they will pass a couple of team-mates on the way

out as the England coach makes another cull of his resources, down to around 25 in preparation for naming his final 22 for the European Championship finals on his far East return.

Venables has no doubts about the fitness of Pallister, who recovered from a persistent sciatic problem to become a tower of strength at the heart of United's defence during the run-in to their twin glories. And after missing 21 games from December he, like Tony Adams and Darren Anderton, would return to the squad refreshed.

But his back still plagues him sufficiently to restrict his

training which, in a high-powered tournament, is probably a risk too many for England.

"He can't play more than one game per week. He must rest four or five days then go into the gym and get himself right," said Venables, who has discussed the position with Alex Ferguson as he wrestles with his verdict.

"With Howey, Adams and Pallister it would be taking a bit of a gamble to risk all three for a schedule that could produce six games in little over three weeks."

Adams, recovered from a cartilage operation, has given himself four days' training with England to reach an honest self-appraisal of his position, and Pallister will at least be on stand-by.

Howey is even more borderline, still not declared fit after the hamstring injury he sustained against Liverpool at the start of April. He is recuperating in the sun in Cyprus with the rest of his Newcastle team-mates.

He also plans to give himself a make-or-break fitness test by the end of the week but there is no doubt the versatile, younger centre-half would fit better into the new three-man system England unveiled against Croatia last month than either of his two rivals.

With Rob Jones having withdrawn because of an injured back and Venables happy to draw cover for right-back Gary Neville from players like Sol Campbell, Gareth Southgate and Neville's brother Phil, mid-field is likely to be the coach's next target.

With Paul Gascoigne returning from Scottish Cup final duty with Rangers for the trip he has 23 players chasing tickets to Peking, and the likes of Jason Wilcox, Jamie Redknapp and the out-of-form Nick Barmby will be feeling a little less secure than many of their colleagues. But the uncapped Blackburn winger Wilcox could be in for a pleasant surprise, with Steve McNamara's unavailability for Saturday's final Wembley warm-up against Hungary opening up a berth on the left.

The Scotland manager, Craig Brown, last night insisted that the Chelsea striker John Spencer will be fit for next week's trip to America. Spencer returned north from London yesterday to be assessed by Scotland's medical staff as the squad trained at Largs. The Stamford Bridge striker has a foot problem and is restricted to cycling and swimming at the moment.

"I am sure John will be on the training pitch next week when we reach America," said Brown. Scotland face the United States in New Britain on 26 May, and Colombia in Miami three days later.

QPR waiting on Wright bid

Queen's Park Rangers' new chairman, Clive Berl, is waiting to hear confirmation that millionaire supporter Chris Wright has lost interest in buying the relegated London club before he opens discussions with two more potential purchasers.

Berlin was ordered to sell Rangers after the owner, Richard Thompson, stepped down from the board of directors last week, and is still hopeful that Wright, the 50-year-old head of the Chrysalis television and music production company, will make a bid despite latest indications to the contrary.

Thompson Investments, the major shareholders in QPR, is believed to want between £8m and £10m for its controlling interest in the club and Wright has said he would be interested at "a reasonable price".

A spokesman for Wright said: "I think it is fair to say the likelihood of Chris continuing his interest is very, very low." But Berlin said: "I need to hear from Chris personally before I can comment any further on this, and don't expect that to happen for a few days yet."

"When he came to the club and was shown around at the weekend he quite naturally told me he wanted to go away and think about it for a while."

"I cannot react to what a spokesman is supposed to have said. It is, in any case, just what you would expect a spokesman to say in a situation like this. We certainly have not had a definite decision yet from Chris."

Berlin revealed two other potential buyers have made contact with him, as well as the two who were already being considered along with Wright. However, he dismissed speculation that the Glasgow

Rangers chairman, David Murray, and the Scottish champions' former manager, Graeme Souness, are among them. "Neither of those stories are true," he said. "The people involved are close to the club but it would not be right to reveal their identities."

"We are not in a desperate hurry to sell the club. You must take time and make sure the interested parties have real commitment."

However, the Thompson family have been reported as wanting to redirect their football finances into Leeds and, that being the case, would probably like to sell QPR as soon as possible.

Ken Wagstaff, a former Hull player of the 1960s and 1970s, is at the centre of a takeover bid at Boothferry Park. Peter Lincoln, a spokesman for Tigers 2000, blamed the club's relegation to the Third Division on the chairman, Martin Fish, the manager, Terry Dolan, and the assistant manager Jeff Lee.

"We believe it is the culmination of bad management, zero investment and a lack of ambition," he said.

"The crucial first steps which must be taken before the club can emerge from the present abyss are the resignation of Martin Fish as chairman followed by a full reconstruction of the directors."

Krylya Sovetov, from the Volga river city of Samara, have been banned from playing at home for three matches after supporters huddled bottles and stones at visiting Moscow Spartak coaches and players. The punishment imposed by the Russian league followed the club's 1-1 draw on 3 May with Spartak, who equalised with a late penalty.

Hoddle's back-seat role

Glenn Hoddle, the England manager in waiting, is resigned to remaining on the sidelines during Euro 96.

The former Chelsea manager is being kept at arm's length by the present coach, Terry Venables, until he takes the England reins for the start of the World Cup qualifying campaign in September.

Hoddle, who yesterday met his future players for the first time at a Bisham Abbey training session behind closed doors and then had lunch with Venables, understands the decision. "Terry and myself will sit down and discuss the situation," he said, "but I also understand a bit of Terry's scenario as he's worked over so hard for the last two years to get it right for the European Championship finals."

"The middle ground may be where I get to know the players and staff, and see for myself before the Championship starts. I think during the Championship I'll probably have to take a back seat."

Hoddle also defended his decision to appoint the Scottish-born John Gorman as his England assistant. Critics have expressed surprise at the decision not to recruit a bigger name or more charismatic figure to be his right-hand man.

But Hoddle pointed to the excellent working relationship he had forged with Gorman during their time at Swindon.

"He's an excellent coach and has tremendous enthusiasm for the game," he said. "I think he'll get the best out of me and I'll get the best out of him. I partnered John at Swindon and we

go back to our Tottenham days. I felt the job must be a situation where we'll be in each other's pockets and I needed someone I could bounce things off and get along with."

Changes were afoot at Hoddle's old stamping ground with Graham Rix moving up to become Chelsea's first-team coach. Rix succeeds the former Tottenham manager Peter Shrewsbury. No 2 to Hoddle - who has left Stamford Bridge.

David Gregory, a specialist in "retail and town centre marketing", has been appointed the FA's temporary commercial director following the controversial resignation of Trevor Phillips. The 50-year-old Gregory will take charge immediately, but he will have nothing to do with the European Championship finals.

THE INDEPENDENT CROSSWORD

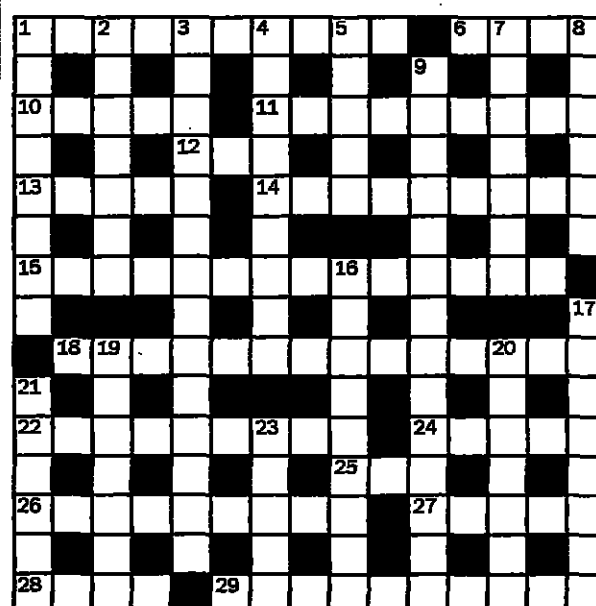
Children's Play

The Franklin's Playmaster's crossword is a special feature of the Independent Crossword.

No. 2582, Thursday 16 May

By Phil

Wednesday's Solution



DOWN
1 Alcohol? Encountered one during endless vacation (8)
2 Convict grabbing writing material wanting start of external communication? (7)
3 What's wrong if carbolic does for a means of ritual cleansing, say (5,9)
4 Concoction of grenadine is very pleasant (9)
5 Disturbed high-flying group (5)
6 A hive of activity? (3,4)
7 More than one sycophant is resident in Arab country (6)
8 Defensive actions: uplifting stuff (5,3,6)
9 Finally solves: "Three (anag.)" (4,5)
10 Placed in time reached a conclusion (8)
11 In attendance, surrounded by group of stars making speech (7)
12 First-rate fellows in right clothing (7)
13 Primate entering church left from another religious building (6)
14 City that won't make you tear off? (5)

ACROSS
1 Metal: dumbly one melted a small mass (10)
6 Unknown vehicle overturned: that's exciting (4)
10 Cheers new attempt to clarify letter in code (5)
11 Makes lonely assignments, about to have no success, on reflection (9)
12 Initially overlooking surplus supply of metal (3)
13 Grant makes one take in quantity of notes (5)
14 Fold in rock provides trick boundary (9)
15 Board working at first to provide equipment for NHS? (9,5)
18 Downmarket building material deployed in creating

our door, nothing less (10,4)
22 Dead trees surrounded by fire from the top down? (4,5)
24 Crop up? One's seen in cropped field (5)
25 Drunk's sound? Sounds like a boor, at any rate (3)
26 I propose leaving initially when Royal comes round (it's what people will stand for) (9)
27 Massage clammy back, in-putting energy (5)
28 Nation is rather unexciting without leader (4)
29 Type of tube badly dented etc. but not nicked? (10)

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Martin on his tod as Courier tastes defeat

Tennis

JOHN ROBERTS reports from Rome

Jim Courier, who used to dominate the Italian Open, lost to a barely known Argentinian, Hernan Gury, in straight sets in the second round yesterday and said: "When I'm playing well on clay I eat those guys for lunch."

The American fifth seed, champion in 1992 and 1993, looked as if he could have chewed the head off one of the 18 marble statues which surround the Grandstand Court.

To be fair, Courier acknowledged that Gury, ranked No 61 in the world, could play. His grievance was with his own error-strewn performance in windy conditions in losing, 6-4, 6-4. The 24-year-old Argentinian sympathised, but refused to allow the standard to detract from the best result of his career.

No acrimony there, which made a change from certain things which have taken place here this week.

The Australian Mark Philippoussis and Roberto Carretero, of Spain, almost came to blows during their first-round match. Carretero hit a short ball from close to the net and Philippoussis belted it straight back at him. During the change-over, the Spaniard shouted at Philippoussis because he had not apologised, and the Australian objected because the umpire did not tell Carretero to shut up.

Philippoussis recovered his composure and won, advancing to the third round yesterday with a straight-sets victory against Adrian Panatta, of Romania. Thomas Muster, while hardly diminutive, would need to

stand on a box to look the fit 6in Todd Martin in the eye. So when Martin said he wanted a little discussion with him yesterday, the defending champion listened.

The pair are due to play each other in the third round, but Martin first wanted to set a few points straight regarding the Austrian's comments the previous day about Americans.

Muster's distaste was aimed at the leading Americans, Pete Sampras and Andre Agassi, who, he contended, showed no respect for the European clay-court tour by failing to turn up for them.

Martin accepted that Muster had exempted Sampras from criticism following the death of his coach, Tim Gullikson, but was concerned about the tone of the Austrian's comments; specifically, "We wait for the Americans to come and offer them a lot of money and they shut on our heads."

"It's not necessary to speak in these terms about your peers," Martin said. "I don't see it being very positive to have kids reading what he said or hearing it on television. Tennis players, if not friends, should at least be allies in building the game."

Muster emphasised that his chief concern was for the future of the clay court tournaments leading up to the French Open.

Martin, who beat Alberto Berasategui, a finalist at the 1994 French Open, 4-6, 6-3, 6-4, is the last remaining American. Malivai Washington lost to Carlos Moya, of Spain, 7-6, 7-5. Muster advanced with a 6-2, 6-3 win against Petr Korda, runner-up to Courier at the 1992 French Open.

Results, Sporting Digest, page 31

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